

**REPORT TO THE TWENTY-SECOND LEGISLATURE
STATE OF HAWAII
2004**

**PURSUANT TO SECTION 342D-82,
HAWAII REVISED STATUTES
RELATING TO THE
STATE WATER POLLUTION CONTROL REVOLVING FUND
OF THE DEPARTMENT OF HEALTH**

**PREPARED BY:
STATE OF HAWAII
DEPARTMENT OF HEALTH
ENVIRONMENTAL HEALTH ADMINISTRATION
ENVIRONMENTAL MANAGEMENT DIVISION
WASTEWATER BRANCH
DECEMBER 2003**

TABLE OF C O N T E N T S

	<u>Page No.</u>
PREFACE	
<u>OPERATIONS & ADMINISTRATION SECTION</u>	
A. Introduction	1
B. Economic Condition and Outlook	2
C. Major Initiatives	3
D. Goals and Accomplishments	5
E. Compliance Matters	8
 <u>FINANCIAL SECTION</u>	
A. Internal Controls	11
B. Statistical Information	11
C. Overview of the Financial Report	14
D. Credit Risks of the WPCRF Loans	19
E. Other Information	21
 ATTACHMENT 1: WPCRF PROJECT LOCATION MAPS	
ATTACHMENT 2: COMMITTED PROJECTS BY STATE FISCAL YEAR AND FUNDING SOURCE	
ATTACHMENT 3: WPCRF PROGRAM FINANCIAL REPORT	
FINANCIAL STATEMENTS:	
STATEMENT OF NET ASSETS	
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS	
STATEMENT OF CASH FLOWS	
NOTES TO FINANCIAL STATEMENTS	
 ADDITIONAL REFERENCE:	
LOANS RECEIVABLE	
INTEREST TABULATION	
ADMINISTRATIVE LOAN FEE TABULATION	
STATE GRANT DISBURSEMENTS	
SCHEDULE OF ENCUMBRANCES	

Preface

September 30, 2003

This report presents a summary of the Water Pollution Control Revolving Fund program's (WPCRF) activities including financial statements for the fiscal year ended at June 30, 2003. The report is divided into two sections:

Operations and Administration Section:

This section includes the introduction, economic condition and outlook, major initiatives, goals and accomplishments, and compliance matters of the Program.

Financial Report Section:

This section includes the discussion of internal controls, statistical information, overview of the basic financial statements, credit risk of the WPCRF, and other information supporting the financial statements.

Pursuant to Hawaii Revised Statutes, Section 342D-82, the State Legislature requires the State Water Pollution Control Revolving Fund program to issue an annual report on the financial position and activities of the fund.

This report was prepared by the Wastewater Branch (WWB) of the State Department of Health (DOH) which is responsible for implementing the State's WPCRF program. We believe the enclosed data are complete and accurate in all material respects and that it is reported in a manner that presents a fair financial position and overview of the operations of the WPCRF program.

OPERATIONS & ADMINISTRATION SECTION

A. INTRODUCTION

The Hawaii Water Pollution Control Revolving Fund (WPCRF) program was established by the 1988 Hawaii State Legislature in order to receive federal capitalization grants provided for by Title VI of the Water Quality Act of 1987. The WPCRF Program is administered by the Wastewater Branch of the Department of Health (DOH). The Wastewater Branch's primary activity with regard to the WPCRF program is to make low-interest loans to Hawaii's counties and other applicants for the construction of needed water pollution control facilities. The projects constructed by the WPCRF address both point source and non-point source (NPS) pollution control facilities. In order to facilitate tracking of revenues received and to be in compliance with EPA's procedures, the program has established several activity account codes to identify the sources of revenues. The WPCRF program also tracks projects as loans progress, prioritizes projects for funding, and performs needed inspections during construction.

By helping local governments and other applicants improve and expand the water pollution control infrastructure, the WPCRF program helps to protect the public's health and Hawaii's environment. Equally important, the WPCRF program plays a vital role in the economic development and vitality of Hawaii's communities. In this capacity, the WPCRF program has contributed to the State's economy by providing loans to approximately \$265 million worth of infrastructure projects in its 13 year history.

Chart 1 illustrates the value of loans the Program has made per year:

Chart 1

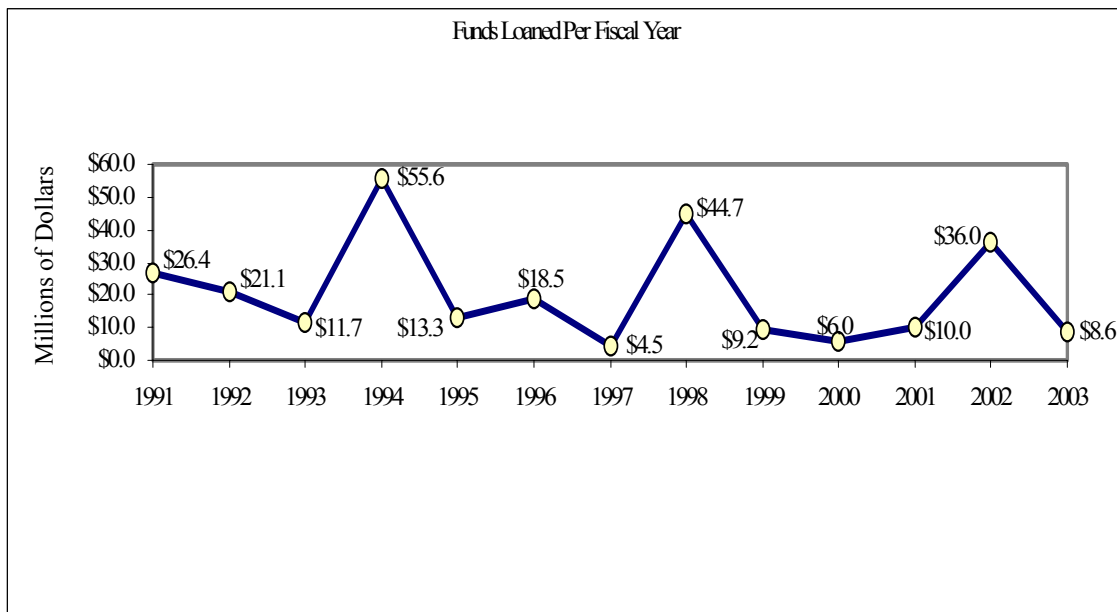
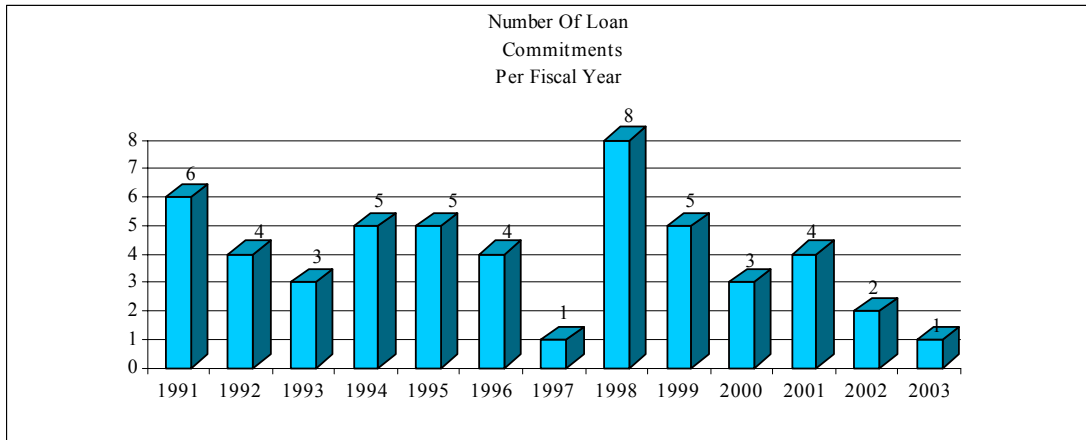


Chart 2 illustrates the number of loan commitments made by the WPCRF program per year:

Chart 2



Please also refer to attachment 2, Committed Projects by State Fiscal Year and Funding Source for additional details.

B. ECONOMIC CONDITION AND OUTLOOK

The State's economy is showing resiliency during its slow comeback from the dramatic economic decline immediately following the tragic events of September 11, 2001. There is optimism that the local economy will continue its modest growth in spite of existing uncertainties relating to the sluggish economic environment on the U.S. mainland, slumping stock market, crisis within the airlines industry, war with Iraq, SARS, and fears of renewed terrorism.

Hawaii's economy showed strength in service-oriented sectors, construction, and other areas of business endeavors not related to tourism that make up our economic base. One major reason cited for this was low interest rates which contributed to a strong local residential construction and real estate market. Agriculture and the high-tech industries were also insulated to some degree from the recent economic decline.

The recovery of Hawaii's main industry, tourism, has been somewhat hindered by renewed fears of war and terrorism. However, as mainland and Asian economies gain strength, Hawaii's local tourism industry is expected to further rebound.

Assuming continued modest growth within the local economy and a positive trend for the U.S. and international economies, the economic outlook for the State appears positive in the upcoming years which will directly affect our Counties ability to provide for needed pollution control infrastructure.

Sources:

DEBT publication, <http://www.hawaii.gov/dbedt/uhero/index.html>

Standard & Poor's,

<http://www.standardandpoors.com/Forum/RatingsCommentaries/PublicFinance/Articles/>

First Hawaiian Bank, Economic Forecast, http://www.fhb.com/hm_econ.htm

Bank of Hawaii, Economic Research Center, <http://www.boh.com/econ/index.asp>

Comprehensive Annual Financial Reports, FY2002, of City and County of Honolulu, County of Hawaii, County of Maui, and County of Kauai

C. MAJOR INITIATIVES

1. Pursuant to the Act 259/01, as amended by Act 177/02, the 2002 Hawaii State Legislature provided local match funds to the federal capitalization grant in the amount of \$2,094,000.

An overview of the WPCRF program for FY 2003 includes the following:

- a. Funds withdrawn from the federal Automated Clearinghouse (ACH): \$ 4,028,816.60
- b. Matching funds for FY 2002 Federal Capitalization Grant provided: \$ 2,094,000.00
- c. State match funds distributed: \$ 912,240.20
- d. Loans executed:

3 Final Loan Agreements:	14,858,506.00	
1 Interim Loan Agreements:	<u>9,846,404.11</u>	
Loan Totals:		\$24,704,910.11
- e. Principal repayment received: \$ 9,687,830.20
- f. Interest repayments received: \$ 3,865,871.76

2. The award of low-interest WPCRF loans is a two-step process. First, an Interim Loan Agreement is prepared and signed based on initial cost estimates. Second, after construction contracts are awarded, a Final Loan Agreement is processed and executed.

In FY 2003, the following Interim Loan Agreement was processed and signed:

County	Project Description	Project Location*	Loan Amount
Honolulu	<u>Waipahu Wastewater Pump Station Modification</u> (Work involves expanding the existing capacity of the pump station to accommodate future wastewater flows)	Senate District 19 House District 36	\$9,846,404.11
<u>TOTAL INTERIM LOAN AGREEMENTS</u>			<u>\$9,846,404.11</u>

In FY 2003, the following Final Loan Agreements were processed and signed:

County	Project Description	Project Location*	Loan Amount
Honolulu	<u>DFM Road Division Storm Water Equipment</u> (Purchase of street cleaning & Storm drain equipment for storm water pollution control efforts on Oahu)	Senate Districts (all) House Districts (all)	\$ 2,830,000.00
Hawaii	<u>County Parks Wastewater Facilities Upgrade</u> (Installation of septic systems to control groundwater pollution)	Senate Districts 1 & 3 House Districts 1 & 5	\$ 68,506.00
Maui	<u>Wailuku-Kahului Wastewater Reclamation Facility Modifications, Phase II</u> (Changes made to improve plant performance, reliability, and reduce operation costs)	Senate District 5 House District 9	\$11,960,000.00
<u>TOTAL FINAL LOAN AGREEMENTS</u>			<u>\$14,858,506.00</u>

The following Interim Loan Agreements which were awarded in prior years were actively being processed such that Final Loan Agreements could be developed:

County	Project Description	Project Location*	Loan Amount
Kauai	<u>Waimea WWTP Backup Effluent Injection Well System</u> (Project will provide a reliable long-term system for effluent disposal)	Senate District 7 House District 14	\$ 750,000.00
Kauai	<u>Lihue Wastewater Treatment Plant Expansion Effluent Disposal System</u> (Project will construct new effluent injection wells to increase the effluent disposal capacity of the facility)	Senate District 7 House District 13	\$ 3,500,000.00
Honolulu	<u>Hart Street Wastewater Pump Station Alternative</u> (Renovation and expansion of the existing pump station facility)	Senate District 13 House District 30	\$24,315,576.50
<u>TOTAL FINAL LOAN AGREEMENTS IN PROCESS</u>			<u>\$28,565,576.50</u>

(* See Attachment 1 for WPCRF Project Location Maps)

D. GOALS AND ACCOMPLISHMENTS

Section 606(c) of the Clean Water Act requires the State to prepare a plan identifying the intended uses of funds in the Clean Water State Revolving Fund (CWSRF) and describe how those uses support the goals of the CWSRF program. The Intended Use Plan (IUP) must be prepared annually and provide for public comment and review. The IUP is also a required element of the State's SRF Capitalization Grant Application to EPA.

The following information must be included in the IUP:

1. List of Projects;
2. Short and Long Term Goals;
3. Information on the SRF Activities to be Supported;
4. Assurances and Specific Proposals;
5. Criteria and Method for Distribution of Funds.

On March 25, 2002, the program published its IUP for State FY 2003. The following describes the results the program achieved relative to the stated goal contained in the IUP:

Long Term Goals:

1. The WPCRF program will assist SRF Loan Applicants in achieving compliance with Federal and State water quality standards.

To ensure compliance with federal and State water quality standards, the WPCRF program gives its highest priority to projects that are under compliance constraints involving either the federal or state standards. The Program also gives preference to projects needed to sewer existing communities and to fully utilize existing wastewater treatment facilities.

2. The WPCRF program will assist the SRF Loan Applicants in protecting the public health and environment of Hawaii from point source pollution.

Two of the WPCRF projects implemented during FY 2003 involved the protection of the public health and the environment by controlling point source pollution. These projects involved the modification of the Waipahu Wastewater Pump Station and the Wailuku-Kahului Wastewater Reclamation Facility on Maui.

3. The WPCRF program will assist the SRF loan applicants in protecting the public health and environment of Hawaii from non-point source (NPS) pollution.

Two of the WPCRF projects constructed in FY 2003 involved addressing non-point source pollution problems. One project upgraded the wastewater treatment facilities at a number of County of Hawaii recreational parks. Another project involved the purchase of street and storm drain cleaning equipment for the City and County of Honolulu to address storm water pollution problems.

4. The WPCRF program will assist the SRF loan applicants in conserving and safely recycling wastewater effluent.

No WPCRF loans were made in this area. However, the program continues to give projects involving recycling of wastewater effluent priority over other types of projects.

5. The WPCRF program will establish a linked-deposit loan program or other financial program to fund nonpoint source projects on private lands.

In recent discussions with a local lending institution, the program has determined that participation in a linked deposit loan program would be minimal. With increased administrative needs to develop a new loan program and the added record-keeping associated with implementing such a loan program, it was decided that there was no advantage to the program in seeking further discussions on this matter. Therefore, in the near future, the program will not seek to establish a linked-deposit loan program. Rather,

efforts in getting communities involved through sponsorships with ongoing WPCRF loans will be pursued.

6. The WPCRF program will operate as a revolving fund in perpetuity.

The program continues to offer WPCRF loans at rates which are below market interest rates while at the same time, maintaining the strength of the fund. The program continues to pursue state matching funds from the Legislature and applying for EPA SRF capitalization grants. In addition, the program implemented loan fees which provide additional revenues to help administer the program. Both program and non-program costs are monitored to insure that funds are properly being utilized and to insure that program costs do not exceed revenues.

Short Term Goals:

1. The WPCRF program will evaluate both water pollution control and growth-related needs to target the highest priority projects for WPCRF funding.

All of the projects funded in FY 2003 were evaluated both for water pollution control and growth related needs within the community and were determined to be the highest priority projects available for WPCRF program funding at that time.

2. The WPCRF program will give higher priority to documented compliance projects when such projects are presented for WPCRF funding.

None of the FY 2003 projects presented for WPCRF funding were documented compliance projects. The program will continue to give the highest priority to such projects.

3. To protect the public health and environment of Hawaii, the WPCRF program will fund point source pollution control projects which reduce pollution loadings.

Two of the WPCRF projects implemented during FY 2003 involved the protection of the public's health and the environment by controlling point source pollution. These projects involved the modification of the Waipahu Wastewater Pump Station, and the Wailuku-Kahului Wastewater Reclamation Facility on Maui.

4. To protect the public's health and environment of Hawaii, the WPCRF program will fund non-point source pollution control projects which deal with watershed restoration issues and address problems such as contamination from cesspool and septic systems, injection wells, animal waste areas, solid waste landfills, and underground storage tanks.

One project upgraded the wastewater treatment facilities at a number of County of Hawaii recreational parks. Another project involved the purchase of street and storm drain cleaning equipment for the City and County of Honolulu so that they could address storm water pollution problems.

5. To conserve the water resources of Hawaii, the WPCRF Program will support projects which conserve and safely recycle wastewater effluent.

None of the projects undertaken in FY 2003 involved recycling wastewater. However, the program continues to give priority to such projects and a number of reclamation projects are on the priority list.

6. To maintain the viability of the fund, the WPCRF program will pursue annual State-match appropriations from the Legislature.

The program continues to pursue state-match funds to finance needed WPCRF projects. The 2002 Hawaii State Legislature appropriated \$2,094,000 in matching funds. Efforts will be maintained to obtain similar funding during the upcoming 2004 legislative session.

Other Accomplishments of the WPCRF Program

1. The 2002 Hawaii State Legislature passed Act 132 which changed the definition of eligible parties receiving loans to include private parties. Additionally, language was added to the statutes which provides interest rate subsidies to eligible parties by depositing revolving fund monies into interest bearing accounts in participating financial institutions that issue loans to eligible projects.

Due to the changes provided by Act 132, the program now has a mechanism that can provide assistance to private landowners. Commonly called the "Linked Deposit Program," it involves an agreement between the Department of Health and a financial institution, like a bank, in which revolving funds would in essence provide an interest rate subsidy for loans to eligible projects by depositing revolving fund monies into interest-bearing accounts.

2. The WPCRF program completed the Hardship Grant project with the County of Hawaii. The project involved work by the County of Hawaii's Department of Parks and Recreation to eliminate large capacity cesspools serving three rural public parks. The project was jointly funded by the U.S. EPA under the Hardship Grants Program and the WPCRF program.
3. The WPCRF program also continues its efforts to fund non-point source pollution control projects within the State.

E. COMPLIANCE MATTERS

By accepting EPA SRF capitalization grants, the State agrees with EPA to comply with the applicable requirements outlined in the Operating Agreement, Chapter II Implementation, Section C, Assurances and Certifications. The following are the major compliance matters for FY 2003:

1. Environmental Review - Each WPCRF project for FY 2003 underwent an environmental assessment and review. Environmental assessment documents were prepared by the Counties in accordance with HRS Chapter 343 (Environmental Impact Statements) and HAR Chapter 11-200, and were submitted to the Office of Environmental Quality Control (OEQC) of the State of Hawaii for review and publication.

The program oversaw the environmental review process for all WPCRF projects funded during this past fiscal year to ensure that they are in compliance with all state and federal requirements. Each applicant also certified that they have conducted a current assessment of the environmental impacts of the project and disclosed in the environmental assessment documents all known significant environmental impacts of the proposed project. Minor changes were initiated by the program in which applicants were informed that specific language needed to be included into their OEQC notices regarding sources of funding.

2. Intended Use Plan - The program's Intended Use Plan was published on March 25, 2002.
3. On April 1, 2003, EPA transmitted its annual Performance Evaluation Report (PER) of Hawaii's WPCRF program to the State. The PER detailed the finding of EPA's on-site annual review and follow-up meeting conducted in 2002. The report contained findings of the WPCRF program review conducted by EPA Region 9 Water Division and Grants Office and financial reviews conducted by the EPA Region 9 Finance Office and the EPA Office of Inspector General. No major deficiencies in the CWSRF program were noted in EPA's report.

EPA noted the following program strengths:

- a. The program received state appropriations for the CWSRF's required 20% match;
- b. The program effectively managed program priority lists and is following its bypass procedures to ensure funds are reaching the regulated community;
- c. The program is presenting the financial information in an enterprise format;
- d. The program obtain necessary authorization for a linked deposit program;
- e. The program provided timely annual reports and data for the National Information Management Systems;
- f. The program provided excellent service to the County of Kauai. The program quickly processed the CWSRF loan application for the Lihue WWTP expansion project;
- g. The pace of the CWSRF program's binding commitments is very good and on target;
- h. The program established non-program income accounts and state loan fee accounts in compliance with the deviation waiver granted by EPA Headquarters in 2001; and

- i. The program met its goal of committing one Non-Point Source loan per year.

In June 2003, the program met with EPA Region 9 and discussed and reached agreement on all minor follow-up items detailed in EPA's PER.

FINANCIAL SECTION

The following is a summary of financial activities of the program for FY 2003 ending June 30, 2003. The DOH considers the WPCRF to be a special revolving fund. The fund was established to receive the proceeds of specific revenue sources such as Federal Capitalization Grants, State Capital Improvement Project (CIP) appropriations for State Match, loan repayments, interest earnings from investments and fees. In agreement with both EPA and State procedures, the program established several accounts (activity codes) for each specific revenue source.

A. INTERNAL CONTROLS

The WPCRF program is responsible for implementing and maintaining a system of internal accounting controls. In fulfilling this responsibility, estimates and judgments are required to assess the expected benefits and related costs. The objective of an internal control system is to provide the program with reasonable, but not absolute, assurances that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed with proper authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

The program is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to Federal and State financial assistance programs.

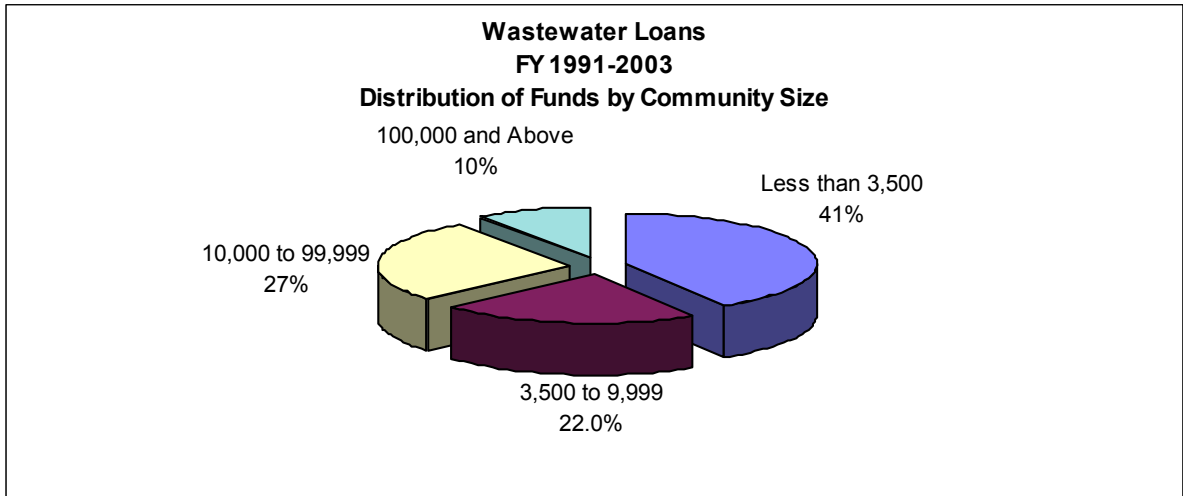
Based on annual Performance Evaluation Reviews by EPA and annual financial audits by independent auditors, we believe the WPCRF program's internal accounting controls adequately safeguard assets and provide reasonable assurances of proper recording of financial transactions.

B. STATISTICAL INFORMATION

1. State Revolving Fund (SRF) Capitalization Grants:

As of June 30, 2003, the program received a total of \$149.2 million in EPA capitalization grants (see Note E in attachment 3). To date, the program has lent out \$136,438,589.82 of federal capitalization grant funds; \$28,623,482.71 of State match funds; \$55,755,739.34 of loan repayment funds; and \$44,790,828.02 of State loan funds to Hawaii's counties. The federal funds in the WPCRF program are being used to benefit communities of all sizes in Hawaii. Chart 3 illustrates the distribution of loans by community size.

Chart 3



The recipients of CWCRF loans utilizing federal funds are required to make positive efforts to procure Minority Business Enterprises (MBE) and Women's Business Enterprises (WBE). The Department of Health agreed with EPA to the following MBE and WBE fair share goals in Hawaii:

	<u>MBE</u>	<u>WBE</u>
Construction	50%	4%
Services	29%	7%
Supplies	21%	2%
Equipment	27%	2%

In FY 2003, the program did not reach its MBE/WBE utilization goals. This was due to the fact that in FY 2003, WPCRf loan recipients did not award any wastewater construction contracts which resulted in no federal funds being awarded to minority owned business enterprises or women owned business enterprises.

Also, during the FY 2003, the program did not procure any services, supplies, or equipment contracts from MBEs or WBEs.

2. Executed Loan Agreements/Binding Commitments:

The Water Quality Act of 1987 requires states to commit the SRF funds in a timely manner and expedite the fund disbursement to the loan recipients.

In FY 2003, the program executed one interim loan agreement totaling \$9,846,404.11 and three final loan agreements totaling \$14,858,506.00 with the City and County of Honolulu, County of Hawaii, and County of Maui (See page 3, paragraph C.2. Major Initiatives).

As of June 30, 2003, the program loaned \$136,438,589.82 worth of federal capitalization grant funds and \$28,623,482.71 of state match funds to WPCRF projects (See Attachment 2).

At the end of FY 2003 the WPCRF program had \$63,418,448.00 available for loans. The balance of available funds consisted of: \$6,808,887.18 of Capitalization Grant funds, \$6,195,814.19 of State match funds and \$50,413,746.63 of repayment loan funds.

As of June 30, 2003, the program had more than \$68.11 million worth of project needs which it intended to make interim loans to. Due to unanticipated delays in applying for loans, the program anticipates that some of these needs will be funded in FY 2004 and FY 2005.

3. State Match:

Pursuant to Act 259/01, as amended by Act 177/02, the 2002 Hawaii State Legislature appropriated \$2,094,000.00 in general obligation bond funds for the purpose of providing the required state match to the Federal Fiscal Year (FFY) 2002 EPA SRF Capitalization Grant. The required State Match was transferred to the WPCRF program in FY 2003.

During the year, the program disbursed \$912,240.20 of State Match funds for the construction of waste water treatment work projects to various counties.

4. Loan Repayments:

In order to accurately reflect both federal and State requirements, loan repayments are deposited into the following WPCRF accounts: Principal from repayments of federal loans - account code 402; Interest from repayments & investments from federal loans - account code 403; Principal from repayments of State loans - account code 406; and Interest from repayments from State loans - account code 407.

At the end of FY 2003, WPCRF program had a principal and interest repayments and investment earnings balance of \$50,413,746.63. This balance will be used to help fund the \$68.11 million worth of projects previously mentioned that were on the programs anticipated funding list for FY 2003.

C. OVERVIEW OF THE FINANCIAL REPORT

The program's financial report consists of the financial statements, notes to the basic financial statements, and other pertinent information which are described as follows:

1. Financial Statements

The WPCRF consists of a group of related accounts which allows the program to categorize funds and revenues into specific program activities and objectives. The WPCRF program uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the WPCRF are categorized as proprietary funds.

2. Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the financial data provided.

3. Other Information

In addition to the basic financial statements and the accompanying notes, the report also presents other supplemental information. Much of the supplemental information has been requested by EPA and has been gathered and presented in a format that has been agreed to between EPA and the program.

To better assist the reader, Tables 1 & 2 summarize and compare the financial position of WPCRF program for fiscal years 2002 and 2003.

Financial Analysis of Enterprise Funds

The WPCRF program's basic financial statements are compiled in an enterprise fund format. Table 1, presents Net Assets and Table 2 presents Revenues, Expenses & Changes in Net Assets.

Summary of Net Assets

Table 1 compares the WPCRF program's Statement of Net Assets for the fiscal years ending June 30, 2003 and June 30 2002.

Table 1

State of Hawaii Water Pollution Control Revolving Fund		
STATEMENT OF NET ASSETS		
	June 30, 2003	June 30, 2002
ASSETS		
Current Assets		
Cash and cash equivalents in state		
Treasury	\$ 89,528,989.85	\$ 77,936,788.48
Loan fees receivable	566,544.50	502,707.52
Accrued interest	2,069,181.77	1,978,302.32
Current maturities of loans receivable	<u>10,589,680.38</u>	<u>9,480,255.83</u>
Total current assets	<u>102,754,396.50</u>	<u>89,898,054.15</u>
Loans receivable, net of current maturities		
Total Receivable	<u>151,865,605.15</u>	<u>151,383,106.63</u>
Office equipment, net of accumulated depreciation	<u>19,961.43</u>	<u>5,253.13</u>
TOTAL ASSETS	<u>\$254,639,963.08</u>	<u>\$241,286,413.91</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Payroll Payable	\$ 41,342.70	\$ 33,748.05
Account payable	<u>-0-</u>	<u>-0-</u>
Total current liabilities	<u>41,342.70</u>	<u>33,748.05</u>
Net assets		
Invested in capital assets	19,961.43	5,253.13
Restricted	254,578,658.95	241,247,412.73
Unrestricted	<u>-0-</u>	<u>-0-</u>
Total net assets	<u>\$254,598,620.38</u>	<u>241,252,665.86</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$254,639,963.08</u>	<u>\$241,286,413.91</u>

Restricted assets totaled \$254,578,658.95 at the end of FY 2003 and consisted primarily of cash equivalents, investment and loan interest receivable, loan principal payments due in 2004, and other receivables. The two most significant sources of non-operational revenue were contributions received from the State Appropriation Act 259/01, as amended by Act 177/02 in amount of \$2,094,000 and federal contribution funds received totaling \$4,028,816.60. These amounts are shown in the Statement of Revenues, Expenses & Changes in Net Assets displayed below (Table 2).

Summary of Changes in Fund Net Assets

Table 2 compares the revenues, expenses and changes in net assets of the WPCRF program for the fiscal years ending June 30, 2003 and June 30, 2002.

Table 2

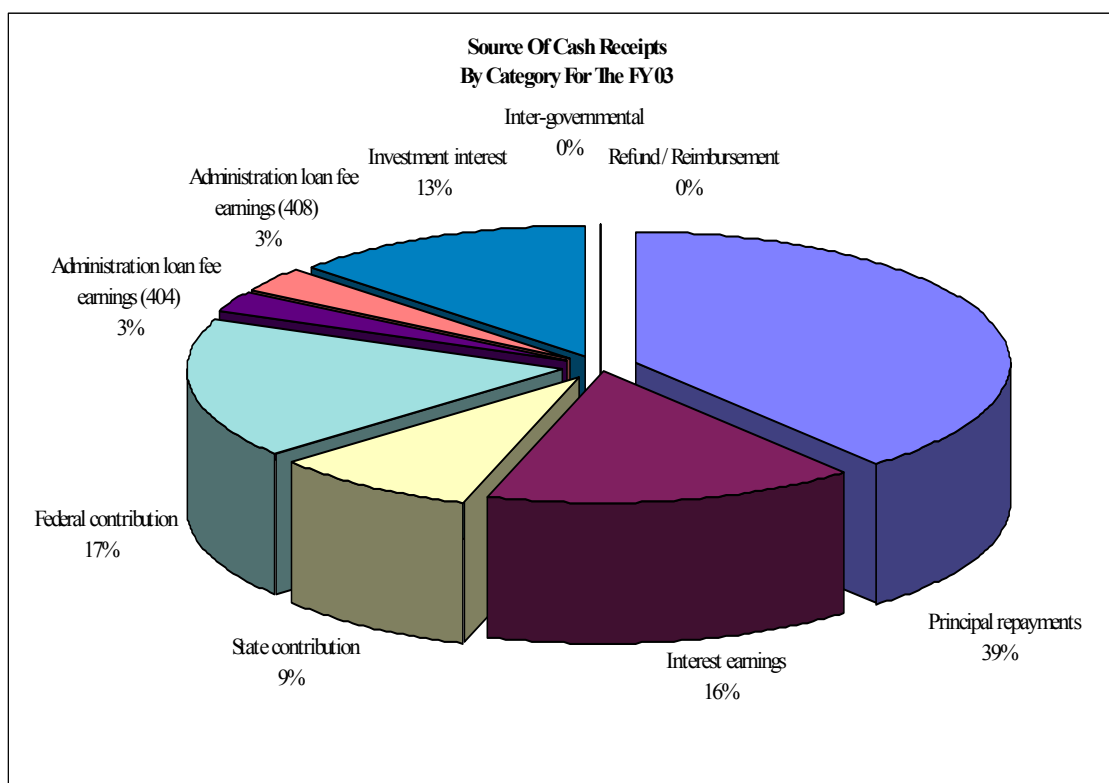
State of Hawaii Water Pollution Control Revolving Fund		
STATEMENT OF REVENUES, EXPENSES & CHANGES IN NET ASSETS		
	Year Ended June 30, 2003	Year Ended June 30, 2002
REVENUES		
Interest earnings from loans	\$3,956,751.21	\$ 3,692,058.02
Administration loan fee earnings	623,519.73	561,911.79
Administration loan fee earnings - non-program	<u>828,253.29</u>	<u>702,152.92</u>
Total Revenues	<u>5,408,524.23</u>	<u>4,956,122.73</u>
EXPENSES		
Administrative expenses for SRF operation	41,071.04	162,930.33
Administrative expenses for State activities	455,145.76	260,991.14
Administrative expenses for State activities- non-program	<u>706,217.80</u>	<u>659,950.86</u>
Total Expenses	<u>1,202,434.60</u>	<u>1,083,872.33</u>
EXCESS REVENUES OVER EXPENSES	<u>4,206,089.63</u>	<u>3,872,250.40</u>
Non-operating Revenues		
Federal contribution	4,028,816.60	18,826,061.71
State matching contribution	2,094,000.00	2,094,000.00
Interest earnings from investment	3,016,363.21	3,544,305.02
Inter government transfer	<u>685.08</u>	<u>582.54</u>
Total Non-operating Revenues	<u>9,139,864.89</u>	<u>24,464,949.27</u>
EXCESS REVENUES OVER EXPENSES	<u>13,345,954.52</u>	<u>28,337,199.67</u>
Net assets at July 1, 2002 and 2001	241,252,665.86	212,915,466.19
Net assets at June 30, 2003 and 2002	<u>254,598,620.38</u>	<u>241,252,665.86</u>

In FY 2003, the WPCRF program earned \$3,016,363.21 of interest from cash deposited in the State of Hawaii Treasury. The total interest earnings from investments increased by \$17,984.13 as compared to the amount earned in FY2002 (Table 2).

Note: Hawaii Revised Statutes Section 38-3 requires collateralization of all public funds, except to the extent that the deposit at each financial institution is insured under the laws of the United States. Acceptable securities include: bonds, notes, bills and certificates of indebtedness of the United States or its agencies; bond notes or other indebtedness of the State of Hawaii or its counties or any other state or county of the United States; and any asset of the depository eligible to secure advances from the Federal Reserve Bank in an amount equal to their market value but not to exceed par value.

Chart 4 shows the sources of revenue for the current year.

Chart 4.



In FY 2003, the WPCRF received \$604,773.10 in program income administration loan fees and \$783,162.94 in non-program income administration loan fees. The \$604,773.10 program income administration loan fees were collected from loans made with federal funds, and the \$783,162.94 non-program income administration loan fees were collected from loans made with State funds.

Beginning in 2001, EPA SRF Capitalization Grants received were required to be recorded as revenue rather than as contributed capital as shown in previous years. Revenue received from EPA's federal contribution FY 2003 totaled \$4,028,816.60. This was \$14,797,245.11 lower than the previous fiscal year. There were two major factors contributing to the lower amount of federal contribution funds received. The first factor was the number and size of loans made by the program which was lower than originally projected for FY 2003. The second factor is the timing of payment requests submitted by borrowers for project cost reimbursement.

The federal law requires the WPCRF program to be operated in perpetuity. Because the State does not contribute any funds to the cost of administering the WPCRF program and its supporting activities, in FY 1997, the program implemented loan fees to generate revenue to help pay for the cost of administering the WPCRF program and other wastewater-related activities. Administrative costs are prorated based on program activities and man-hours spent in each activity. The cost to administer the WPCRF program and its wastewater related activities for FY 2003 was \$1,202,434.60. Of this amount, \$41,071.04 was paid for by federal cap grant funds; \$455,145.76 was paid for by program loan fees; and \$706,217.80 was paid for by non-program loan fees.

a. Program Activities:

- (1) The program continues to service 51 outstanding WPCRF loans which presently total more than \$265 million. Please also refer to attachment 2, Committed Projects by State Fiscal Year and Funding Source for additional details.
- (2) The program reviewed planning documents (including the preliminary engineering reports, plans and specifications, environmental assessment documents, and federal requirement documents) for four (4) projects. They are the Waipahu WWPS modification, DFM Road Division Storm Water Equipment, Hawaii County Parks Wastewater Facilities Upgrade (Hardship Grant), and the Wailuku-Kahului Wastewater Reclamation Facility Modifications, Phase II projects.
- (3) The program executed one (1) interim loan agreement and three (3) final loan agreements for WPCRF wastewater construction and equipment for storm water pollution control type projects.
- (4) The program conducted seven (7) construction inspections of ongoing WPCRF projects under construction.

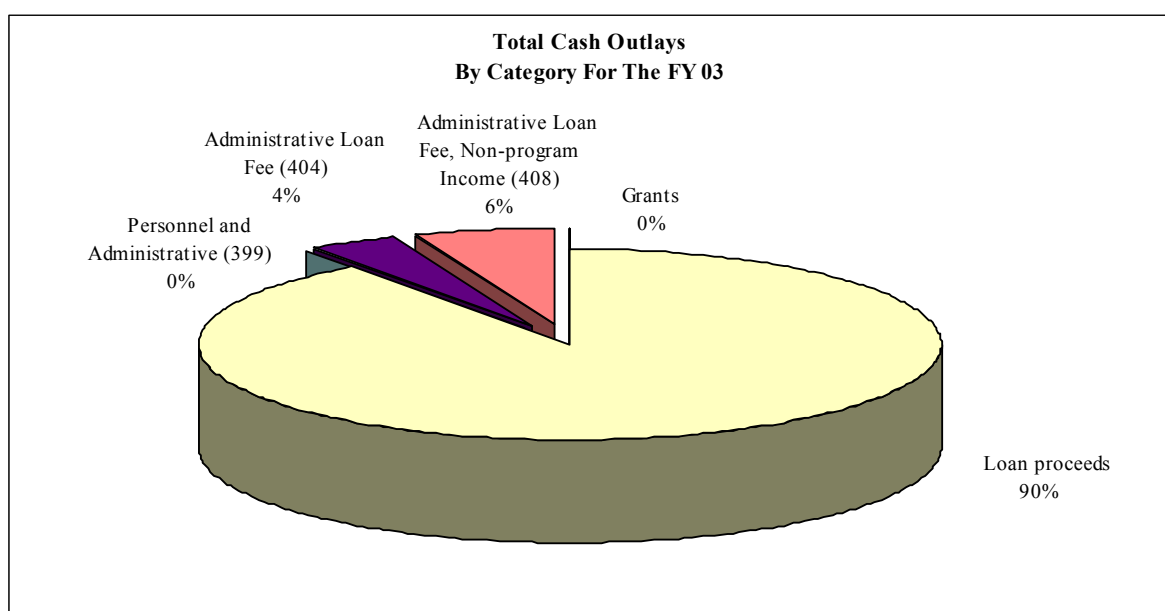
b. Non Program Activities:

The program, as part of the State's Water Quality effort, conducted 85 operation and maintenance inspections of various public and private wastewater treatment facilities, collection system programs, and pumping stations within the State. In addition, the

program funded efforts in recycle water use, beneficial use of biosolids, animal waste management practices as well as wastewater investigation and enforcement activities.

The WPCRF program disbursed \$11,279,753.27 of funds from the WPCRF loan proceeds during the FY 2003. During this period, the program's expenditures (cash outlays) were: \$40,515.64 from the Personnel and Administrative account (399), \$455,912.39 from the Administrative Loan Fee account (404), and \$712,469.50 from the Administrative Loan Fee, Non-program Income, account (408). Chart 5 below shows the significance of loan proceeds in relation to all costs associated with the WPCRF's operations.

Chart 5.



D. CREDIT RISKS OF THE WPCRF LOANS

The program independently performed a Financial Capability Analysis for each county to assess their credit risks for FY 2003. The review primarily focused on the applicants' financial stability.

The program lacks the necessary resources to conduct a comprehensive wastewater service and operational analyses. However, each county has its own long-term capital improvement plan as well as long term facilities plans. It is deemed unnecessary for the program to conduct such an independent analysis.

An important component of the financial review is an analysis of a number of key financial ratios. The program monitored the following key financial ratios:

1. Socioeconomic Indicators which includes:
 - a. Annual Population Change;
 - b. Percentage of Poverty Level;
 - c. Per Capital Income (PCI);
 - d. Median Household Income (MHI); and
 - e. Taxes as % of MHI or PCI.
2. Financial Operations Indicators:
 - a. Debt Service Ratio;
 - b. Debt Per Capita
 - c. General Fund Operating Ratio; and
 - d. Bond Rating.

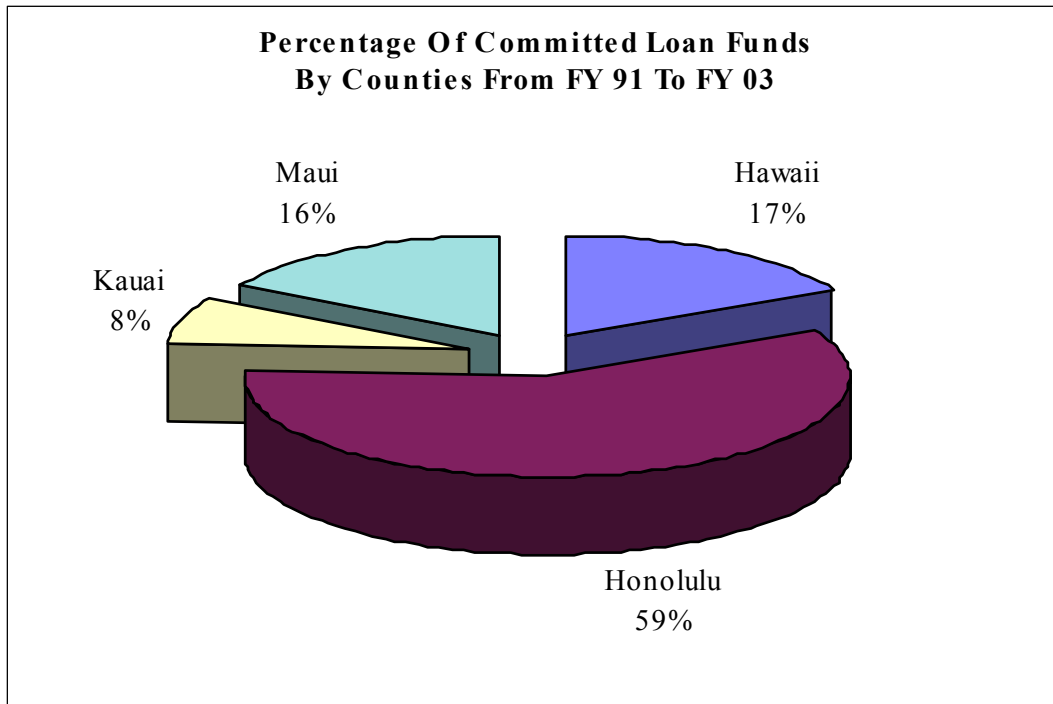
In general, the more highly rated water and sewer enterprises share an important fundamental characteristic with other highly rated debt: a strong underlying economic basis and service area. Nearly all highly rated enterprises are located in areas characterized by solid, steady growth in a strong and diverse service area. Although there is no correlation between a general obligation bond rating and a water and sewer enterprise rating, the common themes of the economic fundamentals should result in similar ratings. Indicators such as customer growth, balance of customers between residential, commercial and industrial, new connections, income trends, and the outlook for economic performance and the ability to withstand economic stresses are important considerations for an enterprise.

Table 3 contains specific information regarding the credit worthiness of the four WPCRF recipients. The table shows the credit rating categories for these recipients. The City and County of Honolulu, County of Hawaii, County of Maui, and the County of Kauai were awarded 59%, 17%, 16%, and 8% of the funds, respectively (Chart 6). The G.O. Bond credit agency, Standard and Poor's, gave every Hawaii county an "A" or better rating. In summary, the DOH feels that the credit pool of WPCRF's loan portfolio have a high degree of solvency.

Table 3.

<u>Recipients</u>	<u>Amount</u>	<u>G.O. Bond Rating</u>	<u>Percentage of WPCRF Loan Portfolio</u>
City and County of Honolulu	\$155,859,917.32	Aaa	59%
County of Hawaii	\$ 45,457,591.64	Aaa	17%
County of Maui	\$ 43,249,626.86	Aa3	16%
County of Kauai	<u>\$ 21,041,504.07</u>	A1	<u>8%</u>
Totals	\$265,608,639.89		100%

Chart 6.



E. OTHER INFORMATION

This report was prepared in accordance with GAAP and Reporting Requirements requested by EPA as well as Hawaii Revised Statutes, Section 342-34.

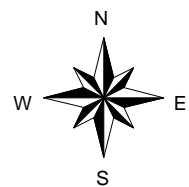
Independent Audit: The accounting firm of Grant Thornton LLP has been selected by the DOH to perform a financial audit of the WPCRF Program's activities. Although the activities and financial statements for fiscal year 2003 are unaudited as of the date of this report, Grant Thornton LLP did perform an annual financial audit of the WPCRF Program for FY 2002. Grant Thornton's financial statements and independent auditor's report on the WPCRF for FY 2002 was published on October 11, 2002. On page 24 of the audit report, the report reads, "In our opinion, the State of Hawaii Water Pollution Control Revolving Fund complied, in all material respects, with the requirements governing types of activities and types of costs allowed or unallowed; matching; level of effort or earmarking requirements; special reporting requirements; special tests or provisions, and claims for advances and reimbursements that are applicable to its major Federal financial assistance program for the year ended June 30, 2002."

The auditor's report on the WPCRF financial statements for FY 2003 will be completed and published some time in November 2003.

Program information: For any further information regarding this report, please contact the Wastewater Branch at: (808) 586-4294.

ATTACHMENT 1

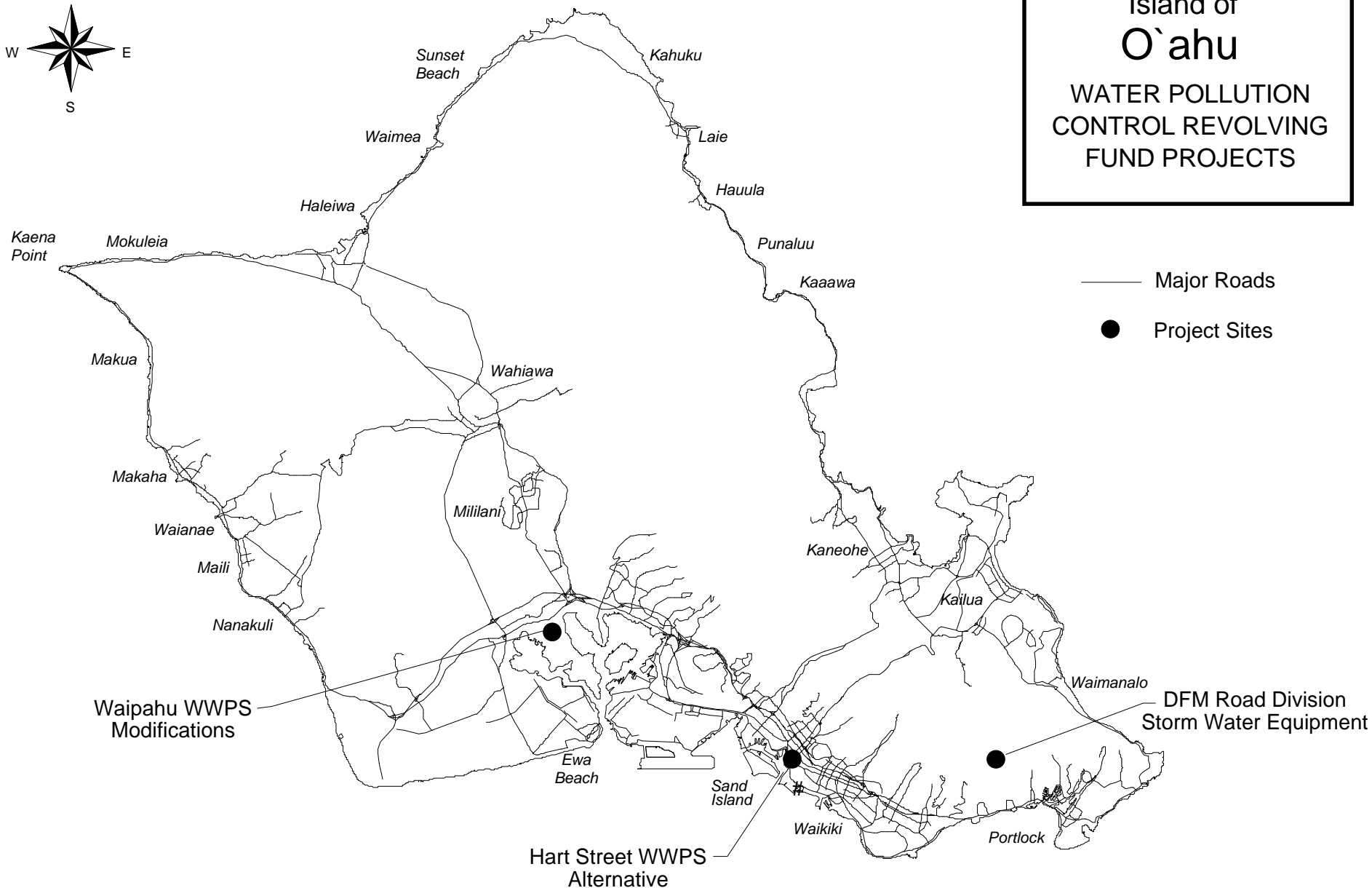
WPCRF PROJECT LOCATION MAPS



Island of
O`ahu
WATER POLLUTION
CONTROL REVOLVING
FUND PROJECTS

—— Major Roads

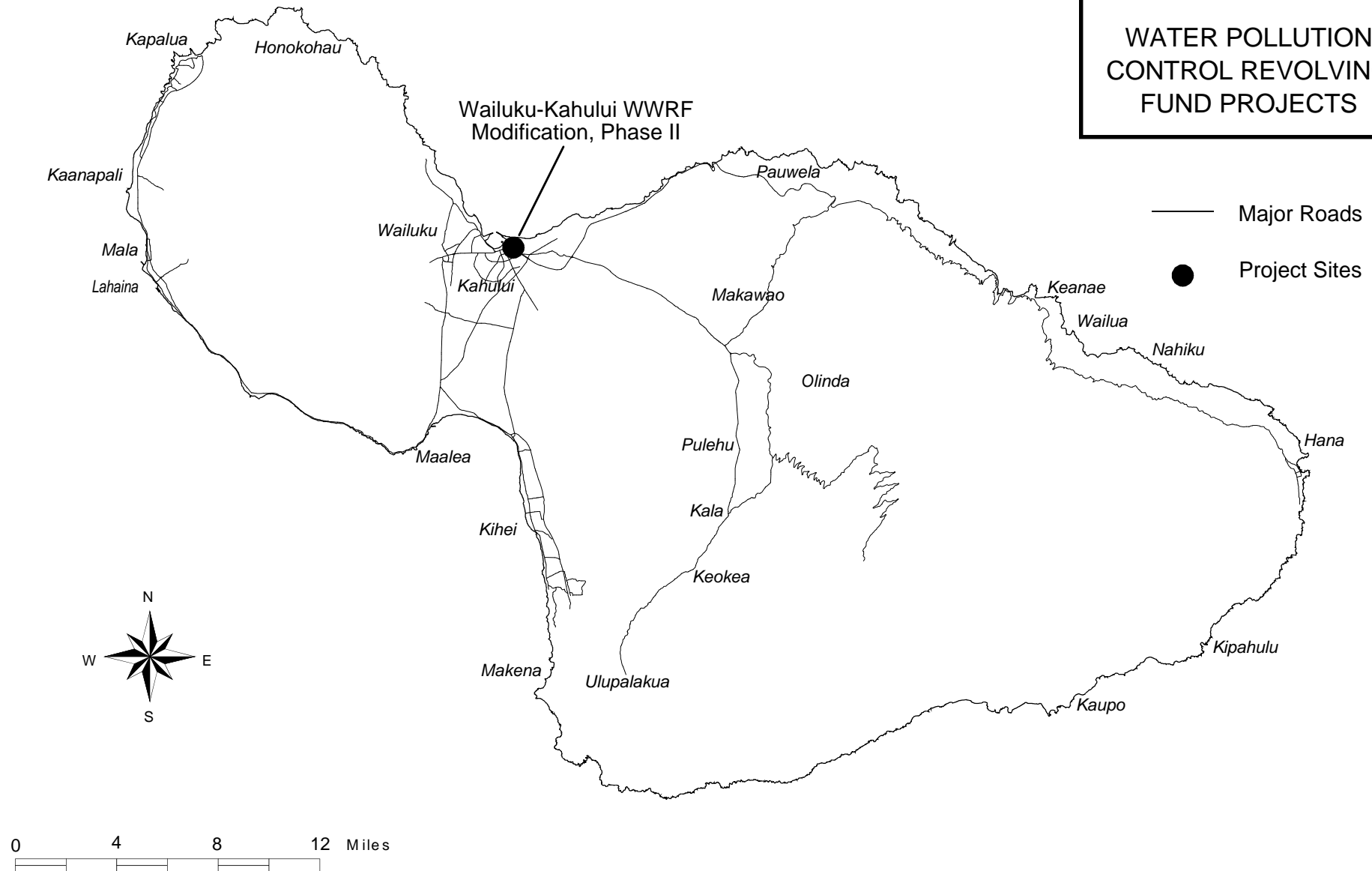
● Project Sites



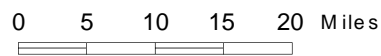
0 4 8 12 Miles

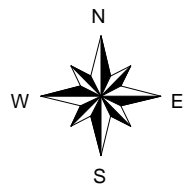
Island of Maui

WATER POLLUTION CONTROL REVOLVING FUND PROJECTS



WATER POLLUTION CONTROL REVOLVING FUND PROJECTS





Island of
Kaua`i
WATER POLLUTION
CONTROL REVOLVING
FUND PROJECTS



0 2 4 6 8 10 Miles

ATTACHMENT 2

**COMMITTED PROJECTS BY STATE FISCAL YEAR AND
FUNDING SOURCE**

State of Hawaii
Water Pollution Control Revolving Fund
Committed Projects by State Fiscal Year and Funding Source

June 30, 2003

Page 1 of 5

						← Source of Loan Funds →							
Binding Commitment Date			Project Description	Final Agr Date	Rate	Loan Amount	398	396	395	402	403	406	407
							Federal SRF	State SRF	State Loan	Principal from Repayment	Int fm Rpymnt & Investment	Principal from Repayment	Interest from Repayment
FY91:	3/1/1991	* 70-16	Kailua STP Modification, Ph. 2		2.50%	8,184,015.00	6,820,012.00	1,364,003.00					
	3/1/1991	* 70-18	Kaneohe STP Mod., Ph. 2		2.50%	1,061,464.00	445,269.00	149,597.00	466,598.00				
	3/1/1991	68-28	Miomio WWPS and FM		2.50%	1,303,134.00			1,303,134.00				
	3/1/1991	* 62-09	Hilo WWT & Convey. Proj., Ph II		2.50%	12,724,311.00	7,231,296.00	1,506,520.00	3,986,495.00				
	4/16/1991	55-02	Kapaa Sewer System, Ph. I		2.50%	2,654,640.00			2,654,640.00				
	4/19/1991	54-04	Lahaina WWRF Expansion		2.50%	500,000.00			500,000.00				
						<u>26,427,564.00</u>	<u>14,496,577.00</u>	<u>3,020,120.00</u>	<u>8,910,867.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FY92:	8/1/1991	62-05	Waiakea Houselot Inter. Sewer		2.50%	459,321.00			459,321.00				
	2/1/1992	* 70-19	Kailua WWTP Mod., Phase III		2.50%	18,039,641.00	14,364,021.00	2,999,959.00	675,661.00				
	3/23/1992	62-08	Waiakea Mill Pond Sewer Sys.		2.50%	1,300,000.00			1,300,000.00				
	4/20/1992	* 80-05	Kealahake Land Dispos		2.50%	1,300,071.00	894,507.00	178,901.00	226,663.00				
						<u>21,099,033.00</u>	<u>15,258,528.00</u>	<u>3,178,860.00</u>	<u>2,661,645.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FY93:	3/1/1993	52-14	Wailuku / Kahului WWRF Mod.		2.50%	4,825,074.00			4,825,074.00				
	5/15/1993	1 * 80-08	Alii Dr. Inter. Sewer, "A" & "B"		2.78%	3,210,243.00	2,664,502.00	545,741.00					
	5/15/1993	1 * 80-09	Waiaha Bay SPS		2.78%	3,697,893.00	3,069,251.00	628,642.00					
						<u>11,733,210.00</u>	<u>5,733,753.00</u>	<u>1,174,383.00</u>	<u>4,825,074.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FY94:	8/1/1993	54-05	Lahaina WWRF Expansion		2.57%	7,700,000.00			7,700,000.00				
	8/1/1993	70-32	Kailua Mod., Ph. 3, Maint./Strg.		2.57%	5,003,603.00			5,003,603.00				
	11/8/1993	^ 59-10	Lihue STP Optimization-Expan		2.78%	14,101,193.00			14,101,193.00				
	1/3/1994	^* 53-20	Waianae WWTP, Secondary TF		2.06%	26,379,150.00	16,238,285.00	5,214,395.00	4,926,470.00				
	6/1/1994	* 62-04	Ainako Inter. Sewer, A & B		2.06%	2,374,000.00	1,978,333.00	395,667.00					
						<u>55,557,946.00</u>	<u>18,216,618.00</u>	<u>5,610,062.00</u>	<u>31,731,266.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FY95:	9/1/1994	2 * 53-20	Waianae WWTP, Secondary TF		2.06%	1,499,884.00	3,616,055.00	938,707.00	(3,054,878.00)				
	10/1/1994	* 80-10	Alii Dr. Interceptor Sewer, C & D		2.06%	3,780,000.00	3,150,000.00	630,000.00					
	12/1/1994	55-02A	Kapaa Sewer Sys., Ph. I, CO #9		2.06%	698,790.00			698,790.00				
	6/15/1995	4 80-12	Alii Dr. Interceptor Sewer, E & F	1/16/1996	3.02%	2,300,000.00	2,300,000.00						
	6/15/1995	4 68-03	Kahaluu Housing WWPS & FM	6/1/1997	3.02%	3,540,884.00	2,593,828.00	947,056.00					
	6/15/1995	4 62-11	Kalaniana'ole CS	10/10/1995	3.02%	1,499,944.00		1,499,944.00					
						<u>13,319,502.00</u>	<u>11,659,883.00</u>	<u>4,015,707.00</u>	<u>(2,356,088.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FY96:	7/1/1995	4 80-11	Holualoa Bay SPS	10/1/1996	3.02%	3,080,000.00	3,080,000.00						
	12/15/1995	4 70-13	Kaneohe Bay S. WWPS No. 5	10/1/1997	3.02%	2,800,000.00	2,800,000.00						
	4/15/1996	54-07	Lahaina WWPS #3 Replac.		2.49%	3,308,239.00					3,308,239.00		
	5/15/1996	77-06	Kihei WWRF Expan. Ph. IIB		2.49%	9,350,108.00	9,350,108.00						
						<u>18,538,347.00</u>	<u>15,230,108.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,308,239.00</u>	<u>-</u>	<u>-</u>
FY97:	10/1/1996	^4 77-09	Kihei Reuse Core Distrib. Sys.	8/1/1997	2.60%	4,460,000.00				4,460,000.00			
						<u>4,460,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,460,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>

Note: Legend located on page 5

State of Hawaii
Water Pollution Control Revolving Fund
Committed Projects by State Fiscal Year and Funding Source

June 30, 2003

Page 2 of 5

							Source of Loan Funds							
Binding Commitment Date			Project Description	Final Agr Date	Rate	Loan Amount	398 Federal SRF	396 State SRF	395 State Loan	402 Principal from Repayment	403 Int fm Rpymnt & Investment	406 Principal from Repayment	407 Interest from Repayment	
FY98:	7/1/1997	4	70-29	Kailua Hts. WWPS FM Replac.	2/15/1998	2.65%	762,618.00				762,618.00			
	7/1/1997	4	71-10	North Shore Septage Facility	2/15/1998	2.65%	6,620,718.00	6,620,718.00						
	7/1/1997	4	70-36	Waikalua WWPS FM Replac.	2/15/1998	2.65%	820,394.00			820,394.00				
	8/1/1997	6	77-09	Kihei Reuse Core Distrib. Sys.		2.60%	(1,936,680.00)			(1,936,680.00)				
	10/1/1997	7	70-13	Kaneohe Bay S. WWPS No. 5		3.02%	205,673.00			205,673.00				
	10/15/1997	4	46-64	Public Baths FM Replacement	2/15/1998	2.57%	4,013,107.00	1,974,663.00	2,038,444.00					
	10/15/1997	4	46-61	Ala Moana Emerg. Generator	2/15/1998	2.57%	3,063,517.00			3,063,517.00				
	10/15/1997	4	54-17	Lahaina WWPS No. 17 Renov.	4/15/1998	2.57%	600,000.00	600,000.00						
	10/15/1997	4	62-15	Waiakea Houselot CS, Ph.II	1/15/1999	2.61%	6,900,000.00				6,900,000.00			
	3/15/1998	4	46-31	Nimitz Hwy Recon. Sewer	6/15/1999	2.39%	23,555,146.00	12,192,342.00	2,208,921.00	4,588,000.00	4,565,883.00			
	6/15/1998	2	77-09	Kihei Reuse Core Distrib. Sys.		2.60%	762,802.00			762,802.00				
6/15/1998	2	59-10	Lihue STP Optimization-Expan		2.78%	(663,118.93)		(663,118.93)						
							44,704,176.07	21,387,723.00	4,247,365.00	(663,118.93)	8,266,324.00	11,465,883.00	-	-
FY99:	7/15/1998	2	54-07	Lahaina WWPS #3 Replac.		2.49%	(663,823.25)				(663,823.25)			
	8/15/1998	2	53-20	Waianae WWTP, Secondary TF		2.06%	(314.05)		(314.05)					
	10/15/1998	4	60-05	Pauka'a Community CS	4/15/1999	2.38%	2,143,448.00		120,000.00	2,023,448.00				
	1/15/1999	6	62-15	Waiakea Houselot CS, Ph.II		2.61%	(1,875,734.00)	3,000,000.00	600,000.00		(5,475,734.00)			
	2/15/1999	4	46-37	Gulick Ave. Relief Sewer	1/15/2002	2.34%	5,844,817.00	3,735,847.00	832,468.67		1,276,501.33			
	2/15/1999	4	54-14	Kuhua Camp Sewer Sys. Rehab	5/15/2000	2.34%	1,767,535.00	1,000,000.00	200,000.00			567,535.00		
	2/15/1999	4	70-33	Kailua WWTP Disinfect. Facility	1/15/2002	2.34%	2,576,891.00	1,000,000.00	200,000.00			1,376,891.00		
	2/15/1999	4	70-44	Kailua Heights WWPS Mod.	1/15/2002	2.34%	2,703,476.00	1,500,000.00	300,000.00		903,476.00			
	2/15/1999	2	77-06	Kihei WWRF Expan. Ph. IIB		2.49%	(332,029.69)	(332,029.69)						
	6/15/1999	6	46-31	Nimitz Hwy Recon. Sewer		2.39%	(2,960,207.00)		(120,000.00)	120,000.00	(2,960,207.00)			
								9,204,059.01	9,903,817.31	2,132,468.67	(314.05)	2,143,448.00	(6,919,786.92)	1,944,426.00
FY00:	7/15/1999	4	80-13	Pahoehoe WWPS	1/15/2001	2.61%	3,000,000.00	332,029.69				2,667,970.31		
	7/15/1999	4	90-03	County Parks WWF Upgrade	8/15/2002	2.49%	105,180.00					105,180.00		
	3/15/2000	4	C0-01	DFM Rd. Div. Storm Water Equip.	8/15/2002	2.96%	2,830,000.00			2,830,000.00				
	5/15/2000	7	54-14	Kuhua Camp Sewer Sys. Rehab		2.34%	32,465.00					32,465.00		
							5,967,645.00	332,029.69	-	-	2,830,000.00	-	2,805,615.31	-
FY01:	10/15/2000	4	C0-02	Ahuimanu Storm Water DWF	11/15/2000	2.75%	1,206,410.00			1,206,410.00				
	1/15/2001	6	80-13	Pahoehoe WWPS		2.61%	(59,250.00)	1,800,000.00	360,000.00			(2,219,250.00)		
	3/15/2001	3	47-07	Waimea WWTP Backup Well		2.47%	750,000.00					750,000.00		
	3/15/2001	3	59-13	Lihue WWTP Expan. Disposal		2.47%	3,500,000.00	2,500,000.00	500,000.00			500,000.00		
	3/15/2001	2	77-09	Kihei Reuse Core Distrib. Sys.		2.60%	(55,041.54)			(55,041.54)				
	4/15/2001	4	54-20	Lahaina WWRF Solids Handling	4/15/2001	2.45%	1,411,200.00	1,088,599.00	310,125.00		12,476.00			
	4/15/2001	2	70-13	Kaneohe Bay S. WWPS No. 5		3.02%	(118,270.37)			(118,270.37)				
	4/15/2001	2	46-61	Ala Moana Emerg. Generator		2.57%	(93,444.00)			(93,444.00)				
	4/15/2001	2	71-10	North Shore Septage Facility		2.65%	(14,220.88)	(14,220.88)						
	4/15/2001	2	70-36	Waikalua WWPS FM Replac.		2.65%	(4,807.00)			(4,807.00)				
	4/15/2001	2	46-31	Nimitz Hwy Recon. Sewer		2.39%	3,503,485.00	2,900,000.00	580,000.00		23,485.00			
							10,026,061.21	8,274,378.12	1,750,125.00	-	947,323.09	23,485.00	(969,250.00)	-

Note: Legend located on page 5

State of Hawaii
Water Pollution Control Revolving Fund
Committed Projects by State Fiscal Year and Funding Source

June 30, 2003

Page 3 of 5

							Source of Loan Funds							
Binding Commitment					Final Agr		398	396	395	402	403	406	407	
Date				Project Description	Date	Rate	Loan Amount	Federal SRF	State SRF	State Loan	Principal from Repayment	Int fm Rpymnt & Investment	Principal from Repayment	Interest from Repayment
FY02:	1/15/2002	6	46-37	Gulick Ave. Relief Sewer		2.34%	(31,979.84)	900,000.00	180,000.00			(1,111,979.84)		
	1/15/2002	7	70-33	Kailua WWTP Disinfec. Facility		2.34%	116,229.00	1,000,000.00	200,000.00				(1,083,771.00)	
	1/15/2002	7	70-44	Kailua Heights WWPS Mod.		2.34%	196,524.00	500,000.00	100,000.00			(403,476.00)		
	2/15/2002	3	46-55	Hart Street WWPS Alternative		2.43%	24,315,576.50	10,391,296.00	2,161,520.00			11,762,760.50		
	3/15/2002	2	80-12	Alii Dr. Interceptor Sewer, E & F		3.02%	(187,345.79)	(187,345.79)						
	5/15/2002	4	52-16	Wailuku-Kahului WWRF Mod.,Ph.II	11/15/2002	2.49%	11,960,000.00	4,091,296.00	901,520.00					6,967,184.00
	5/15/2002	2	54-05	Lahaina WWRF Expansion		2.57%	(318,503.00)		(318,503.00)					
	6/15/2002	2	54-14	Kuhua Camp Sewer Sys. Rehab		2.34%	(54,518.66)						(54,518.66)	
							35,995,982.21	16,695,246.21	3,543,040.00	(318,503.00)	-	10,247,304.66	(1,138,289.66)	6,967,184.00
FY03:	7/15/2002	3	51-64	Waipahu WWPS Mod.		2.39%	9,846,404.11					9,846,404.11		
	8/15/2002	6	90-03	County Parks WWF Upgrade		2.49%	(36,674.00)						(36,674.00)	
	9/15/2002	2	46-64	Public Baths FM Replacement		2.57%	(609,169.48)	(609,169.48)						
	9/15/2002	2	62-04	Ainako Inter. Sewer, A & B		2.06%	(134,825.99)	(127,503.03)	(7,322.96)					
	9/15/2002	2	70-29	Kailua Hts. WWPS FM Replac.		2.65%	(27,296.87)			(27,296.87)				
	3/15/2003	2	54-20	Lahaina WWRF Solids Handling		2.45%	(67,200.00)	(13,399.00)	(41,325.00)	(12,476.00)				
	3/15/2003	2	70-44	Kailua Heights WWPS Mod.		2.34%	(185,652.63)				(185,652.63)			
	3/15/2003	2	80-13	Pahoehoe WWPS		2.61%	(122,989.58)					(122,989.58)		
	4/15/2003	2	CO-02	Ahuimanu Storm Water DWF		2.75%	(87,481.17)			(87,481.17)				
								8,575,114.39	(750,071.51)	(48,647.96)	-	(127,254.04)	9,660,751.48	(159,663.58)
Grand Total							265,608,639.89	136,438,589.82	28,623,482.71	44,790,828.02	18,519,841.05	27,785,876.22	2,482,838.07	6,967,184.00
Planned Binding:														
	46-60			Ala Moana WWPS Mod.			25,100,000.00	13,269,351.00	2,736,115.00		9,094,534.00			
	59-15			Lihue WWTP Digester Repair			3,450,000.00						3,450,000.00	
	54-12			Lahaina WWPS #5 & #6 FM Re-routing			3,795,000.00	951,638.18	48,647.96		590,366.33	2,204,347.53		
	52-19			Wailuku WWPS FM Replac.			7,360,000.00	2,500,000.00	500,000.00			4,360,000.00		
	55-05			Wailua/Kapaa Sewage Sys. Improvements			5,175,000.00	3,750,000.00	750,000.00			675,000.00		
	52-30			Kahului WWPS Renov.			2,530,000.00	2,000,000.00	400,000.00			130,000.00		
	62-18			Kalaniana'ole Hwy. Inter. Sewer Rehab			5,750,000.00	4,097,665.00	901,597.00		750,738.00			
	NPS/59-07			Kauai County Cesspool Conversion Proj			1,150,000.00						1,150,000.00	
	NPS/62-10			Hawaii County Cesspool Conversion Proj			11,500,000.00				11,500,000.00			
	62-19			Komohana Gardens CS			2,300,000.00				2,300,000.00			
Total							68,110,000.00	26,568,654.18	5,336,359.96	-	24,235,638.33	7,369,347.53	4,600,000.00	-

Note: Legend located on page 5

State of Hawaii
Water Pollution Control Revolving Fund
Committed Projects by State Fiscal Year and Funding Source

June 30, 2003

			<div style="display: flex; align-items: center; justify-content: center;"> <div style="flex-grow: 1; border-top: 1px solid black; position: relative; margin: 0 10px;"> ← → </div> <div style="text-align: center; font-size: small;">Source of Loan Funds</div> </div>						
<u>Project Description</u>	<u>Rate</u>	<u>Loan Amount</u>	398 Federal SRF	396 State SRF	395 State Loan	402 Principal from Repayment	403 Int fm Rpymnt & Investment	406 Principal from Repayment	407 Interest from Repayment
Terminated Projects:									
6/15/1995 5 47-07 Waimea Disp.	4.02%	911,900.00				911,900.00			
7/1/1995 5 80-13 Pahoeohoe fka Disappearing Sands	4.02%	2,000,000.00	2,000,000.00						
Total		<u>2,911,900.00</u>	<u>2,000,000.00</u>	-	-	911,900.00	-	-	-

Note: Legend located on page 5

State of Hawaii
Water Pollution Control Revolving Fund
Committed Projects by State Fiscal Year and Funding Source

June 30, 2003

Legend:

- * Title II Equivalency Projects.
 - ^ Project was modified with a Supplemental Loan Agreement, which affected the Binding Loan Commitment amounts
-
- 1 The State did not receive the executed loan agreements for these projects until after the FY93 Annual Report was compiled
 - 2 Supplemental Loan Agreement to the Primary or Final Loan Agreement
 - 3 Interim Loan Agreements.
 - 4 Final Loan Agreements executed using the Interim Loan Agreement Binding Commitment Date
 - 5 Projects terminated in FY97.
 - 6 Final Loan Agreement executed, however, the actual loan amount was lower than the amount shown in the Interim Loan Agreement
 - 7 Final Loan Agreement executed, however, the actual loan amount was higher than the amount shown in the Interim Loan Agreement

ATTACHMENT 3

WPCRF PROGRAM FINANCIAL REPORT

FINANCIAL STATEMENTS

STATE OF HAWAII WATER POLLUTION CONTROL REVOLVING FUND (WPCRF)

June 30, 2003

CONTENTS

FINANCIAL STATEMENTS:	<u>Page No.</u>
STATEMENT OF NET ASSETS	1
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS	2
STATEMENT OF CASH FLOWS	3
NOTES TO FINANCIAL STATEMENTS	4
ADDITIONAL REFERENCE:	
LOANS RECEIVABLE	
INTEREST TABULATION	
ADMINISTRATIVE LOAN FEE TABULATION	
STATE GRANT DISBURSEMENTS	
SCHEDULE OF ENCUMBRANCES	

State of Hawaii
Water Pollution Control Revolving Fund
STATEMENT OF NET ASSETS

	<u>June 30, 2003</u>	<u>June 30, 2002</u>
ASSETS		
Current Assets		
Cash and cash equivalents in State Treasury (note C)	\$ 89,528,989.85	\$ 77,936,788.48
Accrued Interest (note D)	2,069,181.77	1,978,302.32
Accrued Administrative Loan Fees (note D)	186,681.10	167,934.47
Accrued Administrative loan fee, non-program (1%) (note D)	379,863.40	334,773.05
Current maturities of loans receivable (note D)	10,589,680.38	9,480,255.83
Total current Assets	<u>102,754,396.50</u>	<u>89,898,054.15</u>
Loans Receivable (note D)	151,865,605.15	151,383,106.63
Total Receivable	<u>151,865,605.15</u>	<u>151,383,106.63</u>
Office Equipment	33,882.02	54,067.50
Accumulated Depreciation	(13,920.59)	(48,814.37)
Total of Office Equipment - net of Depreciation	<u>19,961.43</u>	<u>5,253.13</u>
TOTAL ASSETS	<u>\$ 254,639,963.08</u>	<u>\$ 241,286,413.91</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Payroll Payable	\$ 41,342.70	\$ 33,748.05
Accounts Payable	-	-
Total Liabilities	<u>41,342.70</u>	<u>33,748.05</u>
Net assets		
Invested in capital assets	19,961.43	5,253.13
Restricted	254,578,658.95	241,247,412.73
Unrestricted	-	-
Total Net assets	<u>254,598,620.38</u>	<u>241,252,665.86</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 254,639,963.08</u>	<u>\$ 241,286,413.91</u>

The accompanying notes are an integral part of this statement.

State of Hawaii
Water Pollution Control Revolving Fund

STATEMENT OF REVENUES, EXPENSES & CHANGES IN NET ASSETS

	Year Ended June 30, 2003	Year Ended June 30, 2002
REVENUES		
Interest earnings from loans (note B)	\$ 3,956,751.21	\$ 3,692,058.02
Administration loan fee earnings (note B)	623,519.73	561,911.79
Administration loan fee earnings - non-program (note B)	828,253.29	702,152.92
Total Revenues	<u>5,408,524.23</u>	<u>4,956,122.73</u>
EXPENSES		
Administrative expenses for SRF operation	41,071.04	162,930.33
Administrative expenses for State activities	455,145.76	260,991.14
Administrative expenses for State activities- non-program	706,217.80	659,950.86
Total Expenses	<u>1,202,434.60</u>	<u>1,083,872.33</u>
EXCESS REVENUES OVER EXPENSES	<u>4,206,089.63</u>	<u>3,872,250.40</u>
Non-operating Revenues		
Federal contribution	4,028,816.60	18,826,061.71
State matching contribution	2,094,000.00	2,094,000.00
Interest earnings from investment (note B)	3,016,363.21	3,544,305.02
Inter government transfer	685.08	582.54
Total Non-operating Revenues	<u>9,139,864.89</u>	<u>24,464,949.27</u>
EXCESS REVENUES OVER EXPENSES	<u>13,345,954.52</u>	<u>28,337,199.67</u>
Net assets at July 1, 2002 and 2001	<u>241,252,665.86</u>	<u>212,915,466.19</u>
Net assets at June 30, 2003 and 2002	<u>254,598,620.38</u>	<u>241,252,665.86</u>

The accompanying notes are an integral part of this statement.

State of Hawaii
Water Pollution Control Revolving Fund

STATEMENT OF CASH FLOWS

Year Ended June 30, 2003

CASH FLOWS FROM OPERATING ACTIVITIES:

Interest income from loans	\$ 3,865,871.76
Administrative Loan Fees	1,387,936.04
Principal repayments on loans	9,687,830.20
Disbursement of loan proceeds	(11,279,718.55)
Personnel costs	(1,077,428.31)
Payments to vendors	(106,152.34)

Net cash flows used in operating activities	2,478,338.80
---	--------------

Cash flows from noncapital financing activities:	6,123,501.68
--	--------------

Net cash flows provided by noncapital financing activities	6,123,501.68
--	--------------

Cash flows from capital and related financing activities:

Purchase of equipment	(26,002.32)
-----------------------	-------------

Net cash flows provided by investing activities	(26,002.32)
---	-------------

Cash flows from investing activities:

Interest from investments	3,016,363.21
Net cash flows provided by investing activities	3,016,363.21

NET INCREASE IN CASH	11,592,201.37
----------------------	---------------

Cash Balance at July 1, 2002	77,936,788.48
------------------------------	---------------

Cash Balance at June 30, 2003	\$ 89,528,989.85
-------------------------------	------------------

Reconciliation of operating income to net cash provided by operating activities:

Operating income	\$ 4,206,089.63
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	11,294.02
Changes in assets and liabilities:	
Increase in interest receivable on loans	(90,879.45)
Increase in administrative fee receivable on loans	(63,836.98)
Increase in accrued salaries and other administrative costs.	7,594.65
Other operating cashflows:	
Principal repayments	9,687,830.20
Loan proceeds	(11,279,753.27)
Net cash provided by operating activities	\$ 2,478,338.80

The accompanying notes are an integral part of this statement.

State of Hawaii

Water Pollution Control Revolving Fund

NOTES TO FINANCIAL STATEMENTS

June 30, 2003

NOTE A - ESTABLISHMENT AND PURPOSE OF THE WPCRF

In accordance with the Clean Water Act of 1987 (the Act), the U.S. Environmental Protection Agency's (EPA) direct grants for the construction of wastewater treatment works ended in 1990. The Act provides for the creation of a State Revolving Fund (SRF) loan program to be capitalized in part by federal funds. The Act authorizes states to make loans for construction of publicly owned wastewater treatment works, for implementation of a non-point source pollution control management program and for implementation of an estuary conservation and management program. The SRF serves as the major federal funding source for future wastewater construction projects. Under the Act, the State of Hawaii (State) received over \$72 million of SRF capitalization grants. The Act expired on September 30, 1995. However, the State continues to receive SRF capitalization grants annually from the U.S. EPA.

The 1988 State Legislature established a State Water Pollution Control Revolving Fund (WPCRF) program to initiate the federal loan program. The WPCRF program intends to provide loans in perpetuity to county, state and private agencies for the construction of wastewater treatment facilities and for non-point source projects. Such loans must be at or below market interest rates and be fully amortized for a period not to exceed twenty years, with the first repayment of principal and interest occurring no later than one year after the notice to proceed for construction or the final agreement date, whichever is the later. Although some funds were used to provide grants, the State stopped awarding grants in March 1991. In 1996, Act 81 was enacted which deleted the Director's authority to provide grants from the WPCRF. Currently, the WPCRF is a loan program.

State of Hawaii

Water Pollution Control Revolving Fund

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2003

NOTE B - ACCOUNTING POLICIES

1. Financial Statement Presentation

The financial statements are intended to present the financial position and results of operations of only that portion of the funds of the Department of Health, State of Hawaii that is attributable to the transactions of the WPCRF.

The accompanying financial statements of the WPCRF have been prepared in conformity with accounting principles generally accepted in the United States of America prescribed by the Governmental Accounting Standards Board (GASB). In June 1999, the GASB issued Statement 34, Basic Financial Statements – Management’s Discussion and Analysis – for State and Local Governments. This Statement established new financial reporting requirements for state and local governments in the United States of America. It requires new information and restructuring of much of the information that governments has presented in the past. Comparability with reports issued in prior years is affected. The Department implemented these standards in 2002.

Other GASB Statements are required to be implemented in conjunction with Statement 34. Therefore, the Department has implemented the following GASB Statements: Statement 36, Recipient Reporting for Certain Shared Nonexchange Revenues, Statement 37, Basic Financial Statements – Management’s Discussion and Analysis – for State and Local Governments: Omnibus and Statement 38, Certain Financial Statement Note Disclosures.

2. Measurement Focus and Basis of Accounting

The accompanying financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are reported when earned and expenses are reported when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Proprietary funds have the option under GASB 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting, to elect to apply all Financial Accounting Standards Board (FASB)

State of Hawaii

Water Pollution Control Revolving Fund

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2003

NOTE B - ACCOUNTING POLICIES (continued)

pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The Fund has elected to not apply FASB statements after the applicable date.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services or goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The principal operating revenues of the Fund are interest income and administrative loan fees on loans made to county governments. Federal grants and interest income from investments are reported as nonoperating income.

Net assets are restricted when constraints placed on them are either externally imposed or imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net assets. When both restricted and unrestricted resources are available for use, generally, it is management's policy to use restricted resources first, then unrestricted resources as they are needed.

3. Capital Assets

Capital assets, which include property and equipment, are reported in financial statements. Management capitalizes equipment if the cost is in excess of \$1,000 and the useful life exceeds one year.

Purchased capital assets are valued at cost. Donated assets are recorded at their fair market value at the date of donation.

Depreciation expense is recorded in the financial statements. The straight-line method is utilized over the assets' estimated useful life. Generally, the useful life used for equipment is three years.

State of Hawaii

Water Pollution Control Revolving Fund

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2003

NOTE B - ACCOUNTING POLICIES (continued)

4. Administration Costs

The accompanying financial statements do not reflect certain administration costs incurred which are paid for by other sources of funding from DOH. These costs include the DOH's and State's overhead which the DOH does not assess to the SRF.

5. Fund Accounts

The Fund consists of the State Revolving Fund (SRF) and State Activity. The SRF consists exclusively of the state match, federal capitalization grant loans, principal loan repayments, and interest from loans and investments. The State Activity consists of administration loan fees, and State loan funds.

6. Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

State of Hawaii

Water Pollution Control Revolving Fund

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2003

NOTE C - CASH AND CASH EQUIVALENTS

All monies of the Fund are deposited into the State Treasury. The State Director of Finance is responsible for the safekeeping of cash in the State Treasury in accordance with State laws. The Director of Finance may invest any monies of the State, which in the Director's judgment are in excess of the amounts necessary for meeting the immediate requirements of the State. Effective August 1, 1999, cash is pooled with funds from other State agencies and departments and deposited into approved financial institutions or participates in the State Treasury Investment Pool System. Cash accounts that participate in the investment pool accrue interest based on the average weighted cash balances of each account.

The State requires that the depository banks pledge, as collateral, government securities held in the name of the State for deposits not covered by federal deposit insurance.

Investments can be categorized to give an indication of the level of risk assumed by the Fund. Category 1 includes investments that are insured or for repurchase agreements, collateralized by underlying securities that are so held. Category 2 includes uninsured and unregistered investments for which the broker-dealer in the Fund's name holds the securities. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker-dealer but not in the Fund's name.

Since all of the Fund's cash is included in the State cash pool, the category of risk is not determinable at the Fund level.

State of Hawaii

Water Pollution Control Revolving Fund

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2003

NOTE D - LOANS RECEIVABLE

At June 30, 2003, the WPCRF had loans receivable from the following government entities:

	<u>SRF Activity</u>	<u>State Activity</u>
19 loans receivable from City & County of Honolulu; due in annual or semi-annual payments, including interest at 2.06% to 3.02% commencing not later than one year after project completion or notice to proceed. Final payment is due not later than twenty years after project completion.	\$ 84,269,532.80	\$ 6,747,078.26
14 loans receivable from County of Hawaii; due in annual or semi-annual payments, including interest at 2.06% to 3.02% commencing not later than one year after project completion or notice to proceed. Final payment is due not later than twenty years after project completion.	\$ 26,405,397.83	\$ 5,337,393.57
Ten loans receivable from County of Maui; due in annual or semi-annual payments, including interest at 2.34% to 2.60% commencing not later than one year after project completion, notice to proceed or loan agreement date.		

State of Hawaii
Water Pollution Control Revolving Fund
NOTES TO FINANCIAL STATEMENTS

June 30, 2003

NOTE D - LOANS RECEIVABLE (continued)

	<u>SRF Activity</u>	<u>State Activity</u>
Final payment is due not later than twenty years after project completion	\$ 21,550,262.98	\$7,721,022.68
Three loans receivable from County of Kauai; due in annual, semi-annual or quarterly payments, including interest at 2.06% to 2.78% commencing not later than one year after project completion or notice to proceed. Final payment is due not later than twenty years after project completion.	\$ <u>- 0 -</u>	<u>\$10,424,597.41</u>
Total	\$132,225,193.61	\$30,230,091.92

Loans mature at various dates through 2022. The scheduled principal payments on loans maturing in subsequent years are as follows:

SFY2004	\$ 10,589,680.38
SFY2005	\$ 10,878,201.76
SFY2006	\$ 11,149,745.36
SFY2007	\$ 11,430,235.58
SFY2008	\$ 11,714,392.96
Thereafter	<u>\$106,693,029.49</u>
	<u>\$162,455,285.53</u>

State of Hawaii

Water Pollution Control Revolving Fund

NOTES TO FINANCIAL STATEMENTS

June 30, 2003

NOTE D - LOANS RECEIVABLE (continued)

As of June 30, 2003, accrued interest receivable, accrued administration loan fee as program income, and accrued administration loan fee as non-program income on loans totaled \$2,069,181.77, \$186,681.10, and \$379,863.40, respectively.

The program believes that all loans will be repaid according to the loan terms. Accordingly, no provision for uncollectible amounts has been recorded.

As of June 30, 2003, the WPCRF has committed to make additional loans to the following government entities:

City & County of Honolulu	\$ 9,846,404.11
County of Hawaii	-
County of Kauai	-
County of Maui	-
Total	<u>\$ 9,846,404.11</u>

State of Hawaii

Water Pollution Control Revolving Fund

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2003

NOTE E - CONTRIBUTED CAPITAL

The WPCRF is capitalized by grants from EPA authorized by Title VI of the Clean Water Act with matching funds from the State. As of June 30, 2003, EPA has awarded \$149,216,121.00 to the State, of which \$126,723,469.63 has been drawn for loans and program administration expenses. The Hawaii State Legislature has appropriated \$31,908,245.67 in matching funds, of which \$28,623,482.71 has been utilized.

The following summarizes the capitalization grants awarded, amounts drawn on each grant, and the balances available for future activity as of June 30, 2003:

Budget Period	FFY	Amount	Total	Funds
			Cash Draws	Available
09/29/89 - 09/30/96	89	7,568,001.00	7,568,001.00	-
09/26/90 - 09/30/97	90	7,532,600.00	7,532,600.00	-
10/01/91 - 09/30/98	91	15,894,300.00	15,894,300.00	-
10/01/92 - 09/30/03	92	15,048,400.00	14,911,413.08	136,986.92
10/01/93 - 09/30/03	93	16,947,877.00	16,947,877.00	-
09/19/94 - 09/30/03	94	9,769,484.00	9,586,652.43	182,831.57
04/05/95 - 09/30/02	95	11,110,859.00	11,110,859.00	-
01/26/96 - 09/30/03	96	11,316,361.00	10,352,348.31	964,012.69
09/01/97 - 09/30/04	97	11,044,606.00	10,717,152.13	327,453.87
09/23/98 - 09/30/05	98	10,662,341.00	10,235,847.00	426,494.00
09/08/99 - 09/30/06	99	11,550,624.00	8,175,200.00	3,375,424.00
05/21/01 - 09/30/07	00	10,407,600.00	-	10,407,600.00
03/08/02 - 09/30/08	01	10,363,068.00	3,691,219.68	6,671,848.32
		\$ 149,216,121.00	126,723,469.63	\$22,492,651.37

State of Hawaii

Water Pollution Control Revolving Fund

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2003

NOTE E - CONTRIBUTED CAPITAL (continued)

The following summarizes the State match funds for each EPA capitalization grant awarded to the WPCRF. This list shows the federal fiscal year (grant year), source of state funds, and dollar amount of state match for each EPA capitalization grant as of June 30, 2003.

The State Match Information:

Federal Fiscal Year	Source of State Funds	20% State Match Amount
89	Act 161/89	\$ 1,513,600.00
90	Act 161/89	1,506,520.00
91	Act 161/89	3,178,860.00
92	Act 296/91	3,009,680.00
93	Act 289/93	3,389,575.00
94	Act 161/89; transferred from 397 activity code	1,953,897.00
95	Act 218/95	2,222,172.00
96	Act 161/89; transferred from 397 activity code	1,726,857.67
	Act 218/95	224,828.00
	Act 328/97	311,586.33
	Total 96 Match	2,263,272.00
97	Act 328/97	2,208,921.00
98	Act 116/98	1,257,976.00
	Act 328/97	874,492.67
	Total 98 Match	2,132,468.67
99	Act 091/99	2,310,125.00
00	Act 281/00	2,081,520.00
01	Act 259/01	2,072,614.00
02	Act 177/02	2,065,021.00
	Total 20% State Match	\$ 31,908,245.67

ADDITIONAL REFERENCE

State of Hawaii
Water Pollution Control Revolving Fund

LOANS RECEIVABLE

Year ended June 30, 2003

Project Number	Executed loan agreements	Loan Amount	Federal Loan receivable as of July 1, 2002	State Loan receivable as of July 1, 2002	Federal amount disbursed July 1, 2002- June 30, 2003	State amount disbursed July 1, 2002- June 30, 2003	Federal principal repayment July 1, 2002- June 30, 2003	State principal repayment July 1, 2002- June 30, 2003	Federal loans receivable	State loans receivable
C0-01	DFM Rd. Div. Storm Water Equip.	\$ 2,830,000.00	-	-	2,780,941.55	-	-	-	2,780,941.55	-
C0-02	Ahuimanu Storm Water DWF	\$ 1,118,928.83	1,089,936.01	-	-	-	49,590.89	-	1,040,345.12	-
46-31	Nimitz Hwy. Recon. Sewer	\$ 24,098,424.00	21,719,954.53	-	289,065.15	-	1,059,627.99	-	20,949,391.69	-
46-37	Gulick Ave. Relief Sewer	\$ 5,812,837.16	5,812,837.16	-	-	-	124,995.54	-	5,687,841.62	-
46-55	Hart Street WWPS Alternative	\$ 24,315,576.50	-	-	-	-	-	-	-	-
46-61	Ala Moana Emerg. Generator	\$ 2,970,073.00	2,580,797.51	-	-	-	132,422.62	-	2,448,374.89	-
46-64	Public Baths FM Replacement	\$ 3,403,937.52	2,972,668.14	-	-	-	136,204.19	-	2,836,463.95	-
47-07	Waimea WWTP Backup Well	\$ 750,000.00	-	-	-	-	-	-	-	-
51-64	Waipahu WWPS Mod.	\$ 9,846,404.11	-	-	-	-	-	-	-	-
52-14	Wailuku / Kahului WWRF Mod.	\$ 4,825,074.00	-	3,173,010.42	-	-	-	230,002.41	-	2,943,008.01
52-16	Wailuku-Kahului WWRF, Ph. II	\$ 11,960,000.00	-	-	7,148,420.20	-	-	-	7,148,420.20	-
53-20	Waianae WWTP, Secondary TF	\$ 27,878,719.95	16,779,872.07	1,871,277.95	-	-	1,384,680.15	^	15,395,191.92	1,871,277.95
54-04	Lahaina WWRF Expansion	\$ 500,000.00	-	275,722.03	-	-	-	24,610.61	-	251,111.42
54-05	Lahaina WWRF Expansion	\$ 7,381,497.00	-	4,919,336.80	-	-	-	392,433.55	-	4,526,903.25
54-07	Lahaina WWPS #3 Replac.	\$ 2,644,415.75	2,036,291.75	-	-	-	123,149.08	-	1,913,142.67	-
54-14	Kuhua Camp Sewer Sys. Rehab.	\$ 1,745,481.34	1,666,573.29	-	-	-	74,842.62	-	1,591,730.67	-
54-17	Lahaina WWPS No. 17 Renov.	\$ 600,000.00	513,886.05	-	-	-	26,338.74	-	487,547.31	-
54-20	Lahaina WWRF Solids Handling	\$ 1,344,000.00	1,255,166.50	-	53,600.00	-	54,091.89	-	1,254,674.61	-
55-02	Kapaa Sewer System, Ph. I	\$ 2,654,640.00	-	1,882,596.84	-	-	-	124,161.21	-	1,758,435.63
55-02A	Kapaa Sewer Sys., Ph. I, CO #9	\$ 698,790.00	-	483,515.93	-	-	-	34,288.01	-	449,227.92
59-10	Lihue STP Optimization-Expan.	\$ 13,438,074.07	-	8,864,255.27	-	-	-	647,321.41	-	8,216,933.86
59-13	Lihue WWTP Expan. Disposal	\$ 3,500,000.00	-	-	-	-	-	-	-	-
60-05	Pauka'a Community CS	\$ 2,143,448.00	1,947,534.64	-	-	-	93,032.91	-	1,854,501.73	-
62-04	Ainako Inter. Sewer, A & B	\$ 2,239,174.01	1,525,603.69	-	-	-	107,739.83	-	1,417,863.86	-
62-05	Waiakea Houselot Inter. Sewer	\$ 459,321.00	-	284,851.58	-	-	-	22,818.31	-	262,033.27
62-08	Waiakea Mill Pond Sewer Sys.	\$ 1,300,000.00	-	862,202.30	-	-	-	-	862,202.30	-
62-09	Hilo WWTP & Convey. Proj., Ph II	\$ 12,724,311.00	3,872,521.89	3,986,495.00	-	-	629,554.06	-	3,242,967.83	3,986,495.00
62-11	Kalaniana'ole CS	\$ 1,499,944.00	1,142,556.42	-	-	-	69,795.42	-	1,072,761.00	-
62-15	Waiakea Houselot CS, Ph. II	\$ 5,024,266.00	4,207,359.35	-	422,465.87	-	211,364.99	-	4,418,460.23	-
68-03	Kahaluu Housing WWPS & FM	\$ 3,540,884.00	2,653,674.35	-	-	-	142,282.38	-	2,511,391.97	-
68-28	Miomio WWPS and FM	\$ 1,303,134.00	-	808,148.97	-	-	-	64,737.55	-	743,411.42
70-13	Kaneohe Bay S. WWPS No. 5	\$ 2,887,402.63	2,471,914.45	-	-	-	127,187.64	-	2,344,726.81	-
70-16	Kailua STP Modification, Ph. 2	\$ 8,184,015.00	5,449,798.15	-	-	-	395,040.21	-	5,054,757.94	-
70-18	Kaneohe STP Mod., Ph. 2	\$ 1,061,464.00	287,185.58	466,598.00	-	-	49,786.10	-	237,399.48	466,598.00
70-19	Kailua WWTP Mod., Phase III	\$ 18,039,841.00	12,089,930.28	675,661.00	-	-	843,145.23	^	11,246,785.05	675,661.00
70-29	Kailua Hts. WWPS FM Replac.	\$ 735,321.13	654,281.37	-	-	-	32,602.21	-	621,679.16	-
70-32	Kailua Mod., Ph. 3, Maint./Strg.	\$ 5,003,603.00	-	3,249,264.86	-	-	-	259,134.97	-	2,990,129.89
70-33	Kailua WWTP Disinfect. Facility	\$ 2,693,120.00	2,331,881.52	-	184,325.25	-	40,316.43	-	2,475,890.34	-
70-36	Waikalua WWPS FM Replac.	\$ 815,587.00	707,895.48	-	-	-	36,049.87	-	671,845.61	-
70-44	Kailua Heights WWPS Mod.	\$ 2,714,347.37	2,707,283.50	-	7,063.87	-	112,023.69	-	2,602,323.68	-
71-10	North Shore Septage Facility	\$ 6,606,497.12	5,652,001.21	-	-	-	287,819.19	-	5,364,182.02	-
77-06	Kihei WWRF Expan. Ph. IIB	\$ 9,018,078.31	7,000,685.07	-	-	-	423,822.15	-	6,576,862.92	-
77-09	Kihei Reuse Core Distrib. Sys.	\$ 3,231,080.46	2,722,611.27	-	-	-	144,726.67	-	2,577,884.60	-
80-05	Kealahou Land Disposal	\$ 1,300,071.00	633,969.25	226,663.00	-	-	62,384.76	-	571,584.49	226,663.00
80-08	Alii Dr. Inter. Sewer, "A" & "B"	\$ 3,210,243.00	1,987,775.22	-	185,829.38	-	143,355.95	-	2,030,248.65	-
80-09	Waiala Bay SPS	\$ 3,697,893.00	2,765,695.50	-	-	-	171,382.77	-	2,594,312.73	-
80-10	Alii Dr. Interceptor Sewer, C & D	\$ 3,780,000.00	2,775,284.61	-	-	-	180,371.71	-	2,594,912.90	-
80-11	Holualoa Bay SPS	\$ 3,080,000.00	2,481,751.66	-	-	-	138,700.70	-	2,343,050.96	-
80-12	Alii Dr. Interceptor Sewer, E & F	\$ 2,112,654.21	1,704,228.81	-	-	-	99,338.82	-	1,604,887.99	-
80-13	Pahoehe WWPS	\$ 2,817,760.42	2,632,358.23	-	139,536.00	-	112,048.77	-	2,659,845.46	-
90-03	County Parks WWF Upgrade	\$ 68,506.00	-	-	68,506.00	-	68,506.00	-	-	-
Total		\$ 265,608,639.89	\$ 128,833,762.51	\$ 32,029,599.95	\$ 11,279,753.27	\$ -	\$ 7,888,322.17	\$ 1,799,508.03	\$ 132,225,193.61	\$ 30,230,091.92
Rounding		\$ 265,608,640	\$ 128,833,763	\$ 32,029,600	\$ 11,279,753	\$ -	\$ 7,888,322	\$ 1,799,508	\$ 132,225,194	\$ 30,230,092

^ Projects C150053 20 & C150070 19, repayments #15 & #8, due on June 27th & 30th, 2002, respectively, was not included in the FAMIS report for period ending June 30, 2002. Therefore, these repayments will be reported in this fiscal year, 2003.

^ Projects C150053 20 & C150070 19, repayments #17 & #9, due on June 27th & 30th, 2003, respectively, was not included in the FAMIS report for period ending June 30, 2003. Therefore, these repayments will be reported in the next fiscal year, 2004.

* Executed Supplemental Loan Agreements in State Fiscal Year 2003 changed the loan amounts from the previous year.

Proj. No. 46-64	From \$4,013,107.00 to \$3,403,937.52	Proj. No. 70-44	From \$2,900,000.00 to \$2,714,347.37
Proj. No. 54-20	From \$1,411,200.00 to \$1,344,000.00	Proj. No. 80-13	From \$2,940,750.00 to \$2,817,760.42
Proj. No. 62-04	From \$2,374,000.00 to \$2,239,174.01	Proj. No. C002	From \$1,206,410.00 to \$1,118,928.83
Proj. No. 70-29	From \$762,618.00 to \$735,321.13		

** The loan amount changed from the previous fiscal year due to the project moving from interim loan agreement to final loan agreement.

Proj. No. 90-03 From \$105,180.00 to \$68,506.00 Loan encumbered in October 2002's FAMIS report. Final Loan Agreement Date: 8/15/02.

The original due date for Proj. No. 90-03 was April 4 and October 4; however, the outstanding balance was paid off on December 31, 2002.

State of Hawaii
Water Pollution Control Revolving Fund

INTEREST TABULATION

Year ended June 30, 2003

	SFY 02 Accrued Interest Receivable	+	SFY 03 Interest Earnings	+	Adjustment	=	SFY 03 Adjusted Interest Earnings*	-	SFY 03 Interest Payments	=	SFY 03 Interest Accrued Receivable
C001	\$0.00		\$32,445.10		\$0.00		\$32,445.10		\$0.00		\$32,445.10
C002	\$9,361.51		\$29,213.13		\$0.00		\$29,213.13		\$29,639.07		\$8,935.57
4631	\$26,442.75		\$517,526.31		(\$0.01)		\$517,526.30		\$523,392.73		\$20,576.32
4637	\$5,962.54		\$134,545.45		(\$0.01)		\$134,545.44		\$73,786.40		\$66,721.58
4661	\$24,531.72		\$64,211.97		(\$0.01)		\$64,211.96		\$65,470.70		\$23,272.98
4664	\$26,772.73		\$74,273.40		(\$0.01)		\$74,273.39		\$74,084.17		\$26,961.95
5214	\$64,764.19		\$74,630.70		(\$0.01)		\$74,630.69		\$79,325.26		\$60,069.62
5216	\$0.00		\$44,927.04		\$0.00		\$44,927.04		\$0.00		\$44,927.04
5320	\$194,621.83		\$362,639.69		\$19.44		\$362,659.13		\$377,119.13		\$180,161.83
5404	\$4,740.15		\$6,469.95		\$0.00		\$6,469.95		\$6,893.05		\$4,317.05
5405	\$61,308.41		\$119,010.28		\$20.60		\$119,030.88		\$123,921.67		\$56,417.62
5407	\$10,557.48		\$49,305.40		(\$2.09)		\$49,303.31		\$49,941.80		\$9,918.99
5414	\$5,484.77		\$38,350.51		\$0.00		\$38,350.51		\$39,141.20		\$4,694.08
5417	\$2,749.92		\$12,898.47		\$0.01		\$12,898.48		\$13,039.42		\$2,608.98
5420	\$6,403.07		\$31,034.61		\$0.00		\$31,034.61		\$31,037.12		\$6,400.56
5502	\$2,063.12		\$45,771.92		(\$1.04)		\$45,770.88		\$45,906.95		\$1,927.05
5502A	\$791.38		\$9,729.11		(\$0.48)		\$9,728.63		\$9,784.75		\$735.26
5910	\$60,762.65		\$235,298.22		(\$18.57)		\$235,279.65		\$239,716.91		\$56,325.39
6005	\$9,477.21		\$45,346.15		\$0.01		\$45,346.16		\$45,633.17		\$9,190.20
6204	\$14,572.29		\$29,837.98		\$128.36		\$29,966.34		\$30,934.91		\$13,603.72
6205	\$4,058.16		\$6,796.21		\$0.00		\$6,796.21		\$7,121.29		\$3,733.08
6208	\$0.00		\$21,555.06		\$0.00		\$21,555.06		\$0.00		\$21,555.06
6209	\$80,743.32		\$190,007.40		\$0.00		\$190,007.40		\$196,475.42		\$74,275.30
6211	\$7,657.32		\$33,515.87		(\$1.43)		\$33,514.44		\$33,982.20		\$7,189.56
6215	\$49,941.93		\$115,204.12		\$0.00		\$115,204.12		\$112,698.32		\$52,447.73
6803	\$6,367.36		\$78,737.92		\$0.00		\$78,737.92		\$79,079.32		\$6,025.96
6828	\$11,513.36		\$19,281.44		(\$0.01)		\$19,281.43		\$20,203.72		\$10,591.07
7013	\$18,407.30		\$72,755.74		\$0.00		\$72,755.74		\$73,702.86		\$17,460.18
7016	\$67,562.57		\$131,347.54		(\$0.01)		\$131,347.53		\$136,244.95		\$62,665.15
7018	\$9,344.85		\$18,227.38		\$0.00		\$18,227.38		\$18,844.59		\$8,727.64
7019	\$319,139.78		\$298,061.15		(\$0.00)		\$298,061.15		\$319,139.78		\$298,061.15
7029	\$6,346.85		\$16,803.98		\$0.00		\$16,803.98		\$17,057.52		\$6,093.31
7032	\$24,479.87		\$79,913.08		(\$13.60)		\$79,899.48		\$81,851.79		\$22,527.56
7033	\$7,175.81		\$56,719.95		(\$0.01)		\$56,719.94		\$37,743.79		\$26,151.96
7036	\$6,938.35		\$18,165.68		(\$0.01)		\$18,165.67		\$18,519.01		\$6,585.01
7044	\$11,455.15		\$62,522.49		\$0.00		\$62,522.49		\$65,635.94		\$8,341.70
7110	\$55,397.35		\$145,039.13		\$0.00		\$145,039.13		\$147,860.15		\$52,576.33
7706	\$21,968.73		\$170,386.66		(\$21.56)		\$170,365.10		\$171,695.09		\$20,638.74
7709	\$28,896.98		\$68,305.74		\$0.00		\$68,305.74		\$69,841.83		\$27,360.89
8005	\$14,147.38		\$20,490.31		\$0.00		\$20,490.31		\$21,515.81		\$13,121.88
8008	\$26,343.20		\$56,569.18		(\$2,476.91)		\$54,092.27		\$51,774.35		\$28,661.12
8009	\$36,020.72		\$73,461.61		\$9.73		\$73,471.34		\$75,703.45		\$33,788.61
8010	\$27,567.32		\$54,447.45		\$7.60		\$54,455.05		\$56,246.71		\$25,775.66
8011	\$11,704.35		\$73,263.96		(\$8.54)		\$73,255.42		\$73,909.56		\$11,050.21
8012	\$17,061.88		\$49,734.85		(\$6.12)		\$49,728.73		\$50,723.26		\$16,067.35
8013	\$30,768.77		\$70,116.95		(\$0.00)		\$70,116.95		\$69,312.99		\$31,572.73
9003	\$0.00		\$219.65		\$0.00		\$219.65		\$219.65		\$0.00
	\$1,432,376.38		\$3,959,115.89		(\$2,364.68)		\$3,956,751.21		\$3,865,871.76		\$1,523,255.83

Notes: * The SFY 03 Adjusted Interest Earnings is the sum of the SFY 03 Interest Earnings and Adjustment columns.

State of Hawaii
Water Pollution Control Revolving Fund

ADMINISTRATIVE LOAN FEE TABULATION

Year ended June 30, 2003

	SFY 02 Program Accrued Loan Fees Receivable	+	SFY 03 Program Loan Fees Earnings	+	Program Adjustment	=	SFY 03 Program Adjusted Loan Fees Earnings	-	SFY 03 Program Loan Fees Payments	=	SFY 03 Program Loan Fees Accrued Receivable		SFY 02 Non-Program Accrued Loan Fees Receivable	+	SFY 03 Non-Program Loan Fees Earnings	+	Non-Program Adjustment	=	SFY 03 Non-Program Adjusted Loan Fees Earnings	-	SFY 03 Non-Program Loan Fees Payments	=	SFY 03 Non-Program Loan Fees Accrued Receivable		SFY 03 Total Loan Fees Accrued Receivable
C001	\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$11,789.42		\$0.00		\$11,789.42		\$0.00		\$11,789.42		\$11,789.42
C002	\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$3,376.43		\$10,623.21		\$0.00		\$10,623.21		\$10,776.83		\$3,222.81		\$3,222.81
4631	\$6,711.31		\$140,310.67		\$3,099.06		\$143,409.73		\$144,540.26		\$5,580.78		\$3,457.35		\$75,551.92		(\$3,099.06)		\$72,452.86		\$72,905.17		\$3,005.04		\$8,585.82
4637	\$1,878.90		\$44,245.25		\$0.00		\$44,245.25		\$23,251.35		\$22,872.80		\$469.72		\$11,061.31		\$0.01		\$11,061.32		\$5,812.84		\$5,718.20		\$28,591.00
4661	\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$9,624.52		\$24,983.86		\$0.00		\$24,983.86		\$25,477.70		\$9,130.68		\$9,130.68
4664	\$3,999.19		\$11,057.95		\$0.01		\$11,057.96		\$10,825.96		\$4,231.19		\$5,998.78		\$16,586.95		(\$0.01)		\$16,586.94		\$16,238.94		\$6,346.78		\$10,577.97
5214	\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$24,631.72		\$30,169.73		\$0.00		\$30,169.73		\$30,169.73		\$24,631.72		\$24,631.72
5216	\$0.00		\$6,283.10		\$0.00		\$6,283.10		\$0.00		\$6,283.10		\$0.00		\$6,806.69		\$0.00		\$6,806.69		\$0.00		\$6,806.69		\$13,089.79
5320	\$52,885.61		\$103,368.44		\$0.02		\$103,368.46		\$104,065.26		\$52,188.81		\$21,601.18		\$43,202.34		(\$0.02)		\$43,202.32		\$42,505.52		\$22,297.98		\$74,486.79
5404	\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$3,676.88		\$2,528.48		\$0.00		\$3,676.88		\$3,676.88		\$2,528.48		\$2,528.48
5405	\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$20,193.20		\$41,299.08		\$0.00		\$41,299.08		\$41,299.08		\$20,193.20		\$20,193.20
5407	\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$20,193.20		\$41,299.08		\$0.00		\$41,299.08		\$41,299.08		\$20,193.20		\$20,193.20
5414	\$1,256.79		\$9,272.01		\$320.56		\$9,592.57		\$9,715.25		\$1,134.11		\$948.10		\$6,994.67		(\$320.55)		\$6,674.12		\$6,766.67		\$855.55		\$1,989.66
5417	\$1,067.09		\$5,018.82		\$0.00		\$5,018.82		\$5,073.52		\$1,012.39		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$1,012.39
5420	\$2,085.09		\$10,149.32		(\$0.01)		\$10,149.31		\$10,150.13		\$2,084.27		\$521.27		\$2,537.34		\$0.00		\$2,537.34		\$2,537.34		\$521.07		\$2,605.34
5502	\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$653.08		\$15,020.88		\$0.00		\$15,020.88		\$15,020.88		\$653.08		\$653.08
5502A	\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$299.24		\$3,776.66		\$0.00		\$3,776.66		\$3,776.66		\$299.24		\$299.24
5910	\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$17,741.90		\$71,756.12		\$0.00		\$71,756.12		\$71,756.12		\$17,741.90		\$17,741.90
6005	\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$3,937.77		\$18,937.87		\$0.00		\$18,937.87		\$19,060.76		\$3,850.88		\$3,850.88
6204	\$4,743.43		\$10,108.83		\$0.00		\$10,108.83		\$10,104.90		\$4,747.36		\$971.55		\$2,070.48		(\$0.00)		\$2,070.48		\$2,069.68		\$972.35		\$5,719.71
6205	\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$1,355.54		\$2,378.72		\$0.00		\$2,378.72		\$2,378.72		\$1,355.54		\$1,355.54
6208	\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$7,415.77		\$0.00		\$7,415.77		\$0.00		\$7,415.77		\$7,415.77
6209	\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$28,465.78		\$69,266.74		\$0.00		\$69,266.74		\$69,266.74		\$28,465.78		\$28,465.78
6211	\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$2,052.17		\$9,272.78		\$0.00		\$9,272.78		\$9,272.78		\$2,052.17		\$2,052.17
6215	\$12,540.72		\$26,880.20		(\$0.00)		\$26,880.20		\$27,264.05		\$12,156.87		\$6,752.70		\$17,774.85		\$0.00		\$17,774.85		\$16,422.97		\$8,104.58		\$20,261.45
6803	\$1,471.85		\$18,250.05		\$0.00		\$18,250.05		\$18,328.97		\$1,392.93		\$630.79		\$7,821.45		\$0.00		\$7,821.45		\$7,855.27		\$596.97		\$1,989.90
6828	\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$3,845.80		\$6,748.64		\$0.00		\$6,748.64		\$6,748.64		\$3,845.80		\$3,845.80
7013	\$5,896.13		\$17,775.82		(\$0.01)		\$17,775.81		\$23,671.94		\$0.00		\$182.35		\$6,315.48		\$0.01		\$6,315.49		\$732.12		\$5,765.72		\$5,765.72
7016	\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$22,092.39		\$44,550.95		\$0.00		\$44,550.95		\$44,550.95		\$22,092.39		\$22,092.39
7018	\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$3,002.65		\$6,055.06		\$0.00		\$6,055.06		\$6,055.06		\$3,002.65		\$3,002.65
7019	\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$107,003.56		\$107,003.56		\$0.00		\$107,003.56		\$107,003.56		\$107,003.56		\$107,003.56
7029	\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$2,465.67		\$6,214.10		(\$101.02)		\$6,113.08		\$6,260.33		\$2,318.42		\$2,318.42
7032	\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$8,977.25		\$30,875.02		\$0.00		\$30,875.02		\$30,875.02		\$8,977.25		\$8,977.25
7033	\$1,880.61		\$17,080.40		(\$22.65)		\$17,057.75		\$9,976.05		\$8,962.31		\$385.19		\$4,164.40		\$22.65		\$4,187.05		\$2,189.86		\$2,382.38		\$11,344.69
7036	\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$2,639.94		\$6,854.61		\$0.00		\$6,854.61		\$6,989.05		\$2,505.50		\$2,505.50
7044	\$3,305.59		\$19,171.31		\$0.00		\$19,171.31		\$19,860.43		\$2,616.47		\$1,161.43		\$6,735.86		\$0.00		\$6,735.86		\$6,977.99		\$919.30		\$3,535.77
7110	\$21,077.91		\$54,728.83		\$0.00		\$54,728.83		\$55,802.19		\$20,004.55		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$20,004.55
7706	\$6,672.78		\$24,355.66		\$0.00		\$24,355.66		\$30,160.98		\$867.46		\$0.00		\$29,026.60		\$0.00		\$29,026.60		\$23,221.28		\$5,805.32		\$6,672.78
7709	\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$11,206.33		\$26,269.51		\$0.00		\$26,269.51		\$26,865.21		\$10,610.63		\$10,610.63
8005	\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$4,980.05		\$7,573.83		\$0.00		\$7,573.83		\$7,573.83		\$4,980.05		\$4,980.05
8008	\$6,459.04		\$13,785.76		(\$0.00)		\$13,785.76		\$13,329.14		\$6,915.66		\$1,417.84		\$2,924.53		\$0.00		\$2,924.53		\$2,925.91		\$1,416.46		\$8,332.12
8009	\$8,462.99		\$17,915.80		\$0.00		\$17,915.80		\$17,915.80		\$8,462.99		\$1,733.38		\$3,669.50		(\$0.00)		\$3,669.50		\$3,669.50		\$1,733.38		\$10,196.37
8010	\$8,742.76		\$17,982.27		(\$0.01)		\$17,982.26		\$17,982.26		\$8,742.76		\$1,790.68		\$3,683.12		\$0.01		\$3,683.12		\$3,683.12		\$1,790.68		\$10,533.44
8011	\$2,969.63		\$19,172.38		\$0.00		\$19,172.38		\$19,172.38		\$2,969.63		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$2,969.63
8012	\$4,184.88		\$12,727.56		\$0.00		\$12,727.56		\$12,727.56		\$4,184.88		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$4,184.88
8013	\$9,642.17		\$20,482.34		(\$0.01)		\$20,482.33		\$20,854.72		\$9,269.78		\$2,410.54		\$6,409.74		\$0.00		\$6,409.74		\$5,892.98		\$2,927.30		\$12,197.08
9003	\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$342.53		\$0.00		\$342.53		\$342.53		\$0.00		\$0.00
	\$167,934.47		\$620,122.77		\$3,396.96		\$623,519.73		\$604,773.10		\$186,681.10		\$334,773.05		\$831,751.27		(\$3,497.98)		\$828,253.29		\$783,162.94		\$379,863.40		\$566,544.50

Notes:

^ Total (Program & Non-Program) SFY03 Loan Fee Payments (\$1,387,936.04) matches the FAMIS transaction total (\$1,387,936.04) from MBP453-B run page 9,680, source 1136.

State of Hawaii
Water Pollution Control Revolving Fund

STATE GRANT DISBURSEMENTS

Year ended June 30, 2003

Project Number	Project Name	State Grant Amount	SFY 02 & 03	SFY 01	SFY 00	SFY 99	SFY 98	SFY 97	SFY 96	SFY 95	SFY 94	SFY 93	SFY 92	SFY 91	SFY 90	Undisbursed as of 6/30/2003
C1500:																
54-04	Lahaina WWRF Expansion	\$ 250,000	-	-	-	-	-	-	-	-	-	250,000	-	-	-	-
55-02	Kapaa Sewer System, Ph. I	\$ 1,327,320	-	-	-	-	1,223	-	-	1,326,097	-	-	-	-	-	-
62-05	Waiakea Houselot Inter. Sewer	\$ 229,660	-	-	-	-	-	-	-	-	62,797	129,300	37,563	-	-	-
62-08	Waiakea Mill Pond Sewer Sys.	\$ 650,000	-	-	-	-	-	28,758	-	-	621,242	-	-	-	-	-
62-09	Hilo WWT & Convey. Proj., Ph II	\$ 3,362,156	-	-	-	-	-	-	1,202,044	-	700,055	1,460,057	-	-	-	-
68-28	Miomio WWPS and FM	\$ 651,567	-	-	-	-	-	-	65,157	-	39,926	-	546,484	-	-	-
70-16	Kailua STP Modification, Ph. 2	\$ 3,563,773	-	-	-	-	-	39,992	-	-	-	-	3,523,781	-	-	-
70-18	Kaneohe STP Mod., Ph. 2 ** ^	\$ 253,344	-	(4,889)	-	-	-	-	-	-	-	-	258,233	-	-	-
80-05	Kealakehe Land Disposal	\$ 551,045	-	-	-	-	-	-	-	-	551,045	-	-	-	-	-
90-02	HFDC	\$ 1,926,350	-	-	-	-	-	-	-	-	-	-	163,036	1,763,314	-	-
		\$ 12,765,215	\$ -	\$ (4,889)	\$ -	\$ -	\$ 1,223	\$ 68,750	\$ 1,267,201	\$ 1,326,097	\$ 1,975,065	\$ 1,839,357	\$ 4,529,097	\$ 1,763,314	\$ -	\$ -
Project Number	Project Name	201 Match Amount	SFY 02 & 03	SFY 01	SFY 00	SFY 99	SFY 98	SFY 97	SFY 96	SFY 95	SFY 94	SFY 93	SFY 92	SFY 91	SFY 90	Undisbursed as of 6/30/2003
C1500:																
52-03	Paia Sewers	\$ 207,374	-	-	-	-	-	-	-	-	-	-	-	-	207,374	-
54-02	Napili/Honokowai	\$ 36,108	-	-	-	-	-	-	-	-	-	-	-	-	36,108	-
55-02	Kapaa Sewer System, Ph. I *	\$ 1,390,355	-	-	-	-	-	9,000	737,681	420,740	-	-	222,934	-	-	-
62-02	Hilo Ph 1	\$ 1,394,217	-	-	-	-	-	-	-	-	-	-	20,033	1,340,650	33,534	-
62-09	Hilo WWT & Convey. Proj., Ph II	\$ 1,225,315	-	-	-	-	-	-	-	-	-	-	1,225,315	-	-	-
80-04	Kealekehe WTP	\$ 722,773	-	-	-	-	-	-	-	-	-	-	-	488,848	233,925	-
80-06	Old Airport ^	\$ 704,629	-	-	-	-	-	176,157	528,472	-	-	-	-	-	-	-
		\$ 5,680,771	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 185,157	\$ 1,266,153	\$ 420,740	\$ -	\$ -	\$ 1,468,282	\$ 1,829,498	\$ 510,941	\$ -
TOTAL		\$ 18,445,986	\$ -	\$ (4,889)	\$ -	\$ -	\$ 1,223	\$ 253,907	\$ 2,533,354	\$ 1,746,837	\$ 1,975,065	\$ 1,839,357	\$ 5,997,379	\$ 3,592,812	\$ 510,941	\$ -

Legend

SFY State Fiscal Year

* The 201 Match amount for this project is now \$1,390,354.81 (\$1,421,850 {original grant} - \$31,495.19 {deobligation}).
The \$31,495.19 (deobligation) was transferred to the 396 account to be used for state match in FY97.

** In SFY 2001, \$4,889.25 of the State Grant amount disbursed for project C150070 18 was returned on May 18, 2001 by the City and County of Honolulu.
The \$4,889.25 (overpayment) was deposited to the 396 account to be used for state match. The undisbursed amount of \$10,111, as of 6/30/2002, was unencumbered and moved to the 396 account in SFY2003.

^ In SFY 2003, the \$10,111 and \$95,371 for projects C150070 18 and C150080 06, respectfully, were deobligated and transferred to the 396 account, verified in FAMIS report dated 3/31/03.

State of Hawaii
Water Pollution Control Revolving Fund

SCHEDULE OF ENCUMBRANCES

Year ended June 30, 2003

		Federal SRF	402 Account	403 Account	406 Account	407 Account	State Match	State Loan	State Grant	Admin Administrative	Loan Fee Program	Loan Fee Non-Program
C0-01	DFM Rd. Div. Storm Water Equip.	\$ -	\$ 49,058.45	✓ \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
C0-02	Ahuimanu Storm Water DWF	-	-	-	-	-	-	-	-	-	-	-
46-31	Nimitz Hwy. Recon. Sewer	-	-	-	-	-	-	-	-	-	-	-
46-37	Gulick Ave. Relief Sewer	-	-	-	-	-	-	-	-	-	-	-
46-61	Ala Moana Emerg. Generator	-	-	-	-	-	-	-	-	-	-	-
46-64	Public Baths FM Replacement	-	-	-	-	-	-	-	-	-	-	-
52-03	Paia Sewers	-	-	-	-	-	-	-	-	-	-	-
52-14	Wailuku / Kahului WWRF Mod.	-	-	-	-	-	-	-	-	-	-	-
52-16	Wailuku-Kahului WWRF, Ph. II	-	-	-	-	4,811,579.80	✓ -	-	-	-	-	-
53-20	Waianae WWTP, Secondary TF	-	-	-	-	-	-	-	-	-	-	-
54-02	Napili/Honokowai	-	-	-	-	-	-	-	-	-	-	-
54-04	Lahaina WWRF Expansion	-	-	-	-	-	-	-	-	-	-	-
54-05	Lahaina WWRF Expansion	-	-	-	-	-	-	-	-	-	-	-
54-07	Lahaina WWPS #3 Replac.	-	-	-	-	-	-	-	-	-	-	-
54-14	Kuhua Camp Sewer Sys. Rehab.	-	-	-	-	-	-	-	-	-	-	-
54-17	Lahaina WWPS No. 17 Renov.	-	-	-	-	-	-	-	-	-	-	-
54-20	Lahaina WWRF Solids Handling	-	-	-	-	-	-	-	-	-	-	-
55-02	Kapaa Sewer System, Ph. I	-	-	-	-	-	-	-	-	-	-	-
55-02A	Kapaa Sewer Sys., Ph. I, CO #9	-	-	-	-	-	-	-	-	-	-	-
59-10	Lihue STP Optimization-Expan.	-	-	-	-	-	-	-	-	-	-	-
60-05	Pauka'a Community CS	-	-	-	-	-	-	-	-	-	-	-
62-02	Hilo Ph 1	-	-	-	-	-	-	-	-	-	-	-
62-04	Ainako Inter. Sewer, A & B	-	-	-	-	-	-	-	-	-	-	-
62-05	Waiakea Houselot Inter. Sewer	-	-	-	-	-	-	-	-	-	-	-
62-08	Waiakea Mill Pond Sewer Sys.	-	-	-	-	-	-	-	-	-	-	-
62-09	Hilo WWT & Convey. Proj., Ph II	-	-	-	-	-	-	-	-	-	-	-
62-11	Kalaniana'ole CS	-	-	-	-	-	-	-	-	-	-	-
62-15	Waiakea Houselot CS, Ph. II	-	-	-	-	-	-	-	-	-	-	-
68-03	* Kahaluu Housing WWPS & FM	-	-	-	-	-	-	-	-	-	-	-
68-28	Miomio WWPS and FM	-	-	-	-	-	-	-	-	-	-	-
70-13	Kaneohe Bay S. WWPS No. 5	-	-	-	-	-	-	-	-	-	-	-
70-16	Kailua STP Modification, Ph. 2	-	-	-	-	-	-	-	-	-	-	-
70-18	Kaneohe STP Mod., Ph. 2	-	-	-	-	-	-	-	-	-	-	-
70-19	Kailua WWTP Mod., Phase III	-	-	-	-	-	-	-	-	-	-	-
70-29	Kailua Hts. WWPS FM Replac.	-	-	-	-	-	-	-	-	-	-	-
70-32	Kailua Mod., Ph. 3, Maint./Strg.	-	-	-	-	-	-	-	-	-	-	-
70-33	* Kailua WWTP Disinfec. Facility	-	-	-	-	-	-	-	-	-	-	-
70-36	Waikalua WWPS FM Replac.	-	-	-	-	-	-	-	-	-	-	-
70-44	Kailua Heights WWPS Mod.	-	-	-	-	-	-	-	-	-	-	-
71-10	North Shore Septage Facility	-	-	-	-	-	-	-	-	-	-	-
77-06	Kihei WWRF Expan., Ph. IIB	-	-	-	-	-	-	-	-	-	-	-
77-09	Kihei Reuse Core Distrib. Sys.	-	-	-	-	-	-	-	-	-	-	-
80-04	Kealahou WTP	-	-	-	-	-	-	-	-	-	-	-
80-05	Kealahou Land Disposal	-	-	-	-	-	-	-	-	-	-	-
80-06	Old Airport	-	-	-	-	-	-	-	-	-	-	-
SUBTOTAL:		\$ -	\$ 49,058.45	\$ -	\$ -	\$ 4,811,579.80	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

* Projects were unencumbered. See MBP405-B
July 24, 2003, run pages 5,412 and 5,415.

State of Hawaii
Water Pollution Control Revolving Fund

SCHEDULE OF ENCUMBRANCES

Year ended June 30, 2003

		<u>Federal SRF</u>	<u>402 Account</u>	<u>403 Account</u>	<u>406 Account</u>	<u>407 Account</u>	<u>State Match</u>	<u>State Loan</u>	<u>State Grant</u>	<u>Admin Administrative</u>	<u>Loan Fee Program</u>	<u>Loan Fee Non-Program</u>
	Subtotals carried forward:	\$ -	\$ 49,058.45	\$ -	\$ -	\$ 4,811,579.80	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
80-08	Alii Dr. Inter. Sewer, "A" & "B"	-	-	-	-	-	-	-	-	-	-	-
80-09	Waiaha Bay SPS	-	-	-	-	-	-	-	-	-	-	-
80-10	Alii Dr. Interceptor Sewer, C & D	-	-	-	-	-	-	-	-	-	-	-
80-11	Holualoa Bay SPS	-	-	-	-	-	-	-	-	-	-	-
80-12	Alii Dr. Interceptor Sewer, E & F	-	-	-	-	-	-	-	-	-	-	-
80-13	Pahoehoe WWPS	-	-	-	-	-	-	-	-	-	-	-
90-02	HFDC	-	-	-	-	-	-	-	-	-	-	-
90-03	County Parks WWF Upgrade	-	-	-	-	-	-	-	-	-	-	-
Administrative:												
	Personnel	-	-	-	-	-	-	-	-	-	16,852.00 ^	-
	Other Expenditures	-	-	-	-	-	-	-	-	-	27,340.06 ^	6,649.11 ^
	TOTAL	<u>\$ - ^</u>	<u>\$ 49,058.45 ^</u>	<u>\$ - ^</u>	<u>\$ - ^</u>	<u>\$ 4,811,579.80 ^</u>	<u>\$ - ^</u>	<u>\$ - ^</u>	<u>\$ - ^</u>	<u>\$ - ^</u>	<u>\$ 44,192.06 ^</u>	<u>\$ 6,649.11 ^</u>

* Projects were unencumbered. See MBP405-B
July 24, 2003, run pages 5,412 and 5,415.

Legend:

Project encumbrance amounts were based on the (run2.xls) Summary report, which used MBP471-B.

✓ Verified with MBP490-B, Run Page: 6,541.

^ Verified with MBPE02-B, Run Pages: 9,894, 9,899, 9,900, 9,901, 9,903, 9,904, and 9,905.

The following is a list of encumbered projects that were unencumbered as of 6/30/03:

		<u>Federal SRF</u>	<u>402 Account</u>	<u>403 Account</u>	<u>406 Account</u>	<u>407 Account</u>	<u>State Match</u>	<u>State Loan</u>	<u>State Grant</u>	<u>Total</u>
68-03	Kahaluu Housing WWPS & FM	\$ 340,622.33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 340,622.33
70-33	Kailua WWTP Disinfect. Facility	-	-	-	176,913.23	-	-	-	-	176,913.23
	TOTAL	<u>\$ 340,622.33</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176,913.23</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 517,535.56</u>